ENABLING POWER.
ENABLING TELECOM.
ENRICHING LIVES.

25th Annual Report 2012-13

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Manoj G. Tirodkar	Chairman & Managing Director
Mr. Sadanand D. Patil	Senior Director (upto March 28, 2013)
Prof. Sudhakar C. Sahasrabudhe	Director (upto September 12, 2012)
Prof. Shamkant B. Navathe	Director
Mr. Charudatta K. Naik	Whole–time Director (upto September 12, 2012)
Mr. Vijay M. Vij	Director
Mr. Sukanta Kumar Roy	Director (Whole–time Director & Chief Operating Officer upto July 26, 2013)
Mr. D. S. Gunasingh	Director
Mr. Navin J. Kripalani	Director
Mr. Hemant Desai	Director
Mr. Ajay Sharma	Director – Nominee of IDBI Bank (w.e.f. October 8, 2012)
Mr. Bhasker L. Salian	Director – Nominee of Bank of India (w.e.f. February 5, 2013)
Mr. Arun Prabhukhanolkar	Additional Director & Whole–time Director (w.e.f. August 1, 2013)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vidyadhar A. Apte

AUDITORS

M/s Godbole Bhave & Co., Chartered Accountants
M/s Yeolekar & Associates, Chartered Accountants

BANKS / INSTITUTIONS

Andhra Bank
Bank of Baroda
Bank of India
Canara Bank
Catholic Syrian Bank
Dena Bank
IDBI Bank
Indian Bank
Indian Overseas Bank
Punjab National Bank
SIDBI
Standard Chartered Bank
State Bank of Hyderabad
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank

REGISTERED OFFICE & INVESTOR SERVICE CENTRE

GTL Limited
"Global Vision", Electronic Sadan–II,
MIDC, TTC Industrial Area, Mahape,
Navi Mumbai – 400 710, Maharashtra, India.

Tel: +91 22 2761 2929 | Fax: +91 22 2768 0171
gtlshares@gtllimited.com | ir@gtllimited.com

Particulars	GTL Consolidated (Audited)				GTL Standalone (Audited)	
	FY 2012–13 ₹ Cr.	FY 2011–12* ₹ Cr.	FY 2012–13 US$ Mn.	FY 2011–12* US$ Mn.	FY 2012–13 ₹ Cr.	FY 2011–12* ₹ Cr.
Total Income	2,643.86	1,914.02	486.82	381.13	2,213.26	1,556.93
Net Sales / Services	2,601.32	1,864.69	478.99	371.30	2,171.58	1,506.99
PBDIT	188.82	115.96	34.77	23.09	179.16	133.93
Depreciation	177.65	101.71	32.71	20.25	157.24	88.57
Profit before tax	(551.51)	(437.68)	(101.55)	(87.15)	(519.00)	(385.46)
Profit after tax	(554.77)	(457.38)	(102.15)	(91.08)	(519.37)	(400.74)
Dividend per share	NIL	NIL	NIL	NIL	NIL	NIL
EPS Basic/Diluted	(37.96)	(47.50)	(6.99)	(9.46)	(35.93)	(41.20)
Equity & Preference Share capital	806.96	97.27	147.62	18.96	806.96	97.27
Reserves & Surplus	795.81	1,138.86	145.58	222.04	489.69	798.65
Networth	1,602.77	1,236.13	294.15	241.01	1,296.65	895.92
Gross Fixed Assets	1,259.02	1,244.99	230.32	242.74	1,050.21	1,047.81
Net Fixed Assets	618.09	778.16	113.07	151.72	489.59	641.38
Total Assets	8,040.82	8,189.99	1,470.93	1,596.80	7,241.03	7,470.00

* FY 2011–12 is for 9 months ending March 31, 2012

Conversion Rate for 1 US$ into INR (weighted average)	FY 2012–13	FY 2011–12
Profit and Loss Account	54.31	50.22
Balance Sheet Items	54.67	51.29

Note: GTL generates 83.48% of its revenue from India. Dollar figures are given purely for reference purpose and may seem distorted due to substantial and abnormal fluctuations in the INR–US$ exchange rate. Therefore, all the ratios have been calculated for Rupee values.

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Letter to Shareowners

Dear Shareholders,

Last two years saw the telecom sector in India, going through tough times, with several issues plaguing the sector, post the cancellation of 122 2G licenses by the Supreme Court of India. The trouble in the telecom sector also coincided with a decelerating economy, and volatility in the rupee movement, which made the business environment very challenging.

Our business is heavily dependent on the growth and developments envisaged in Telecom and Power sectors. Over the past one year developments in these two sectors, have been far from encouraging thereby having a negative impact on the performance of GTL in FY 2012–13.

Discussed below are some of the major challenges faced:

Telecom Sector

- 2G Scam and resultant cancellation of 122 2G Licenses has led to exit of certain telecom players and also affected the roll out and growth plans of several other telecom operators
- Failed spectrum auctions have led to capacity constraints in expansion and litigations
- Slower growth of 3G and BWA networks have reduced the opportunities for network service providers like GTL
- International investors interest in the telecom sector has diminished, resulting into lower FDI inflows into the sector
- Banks are not keen to increase exposure to Telecom Sector as they already have huge exposure
- Lack of clarity on M&A guidelines is hampering the consolidation in the sector and
- Capex of telecom operators for building new infrastructure is low

Power Sector

- Securing fuel for the power plants has been a major concern among the generating companies
- The ability of the Distribution companies to focus on expansion and improving the infrastructure is constrained with the huge losses due to economic downturn and the subsequent restructuring of the Distribution companies is yet to be completed
- Delayed tariff revisions have caused pressure on margins in the distribution sector, thereby delaying the recovery of investments made in power generation and distribution and
- Weak financials of state managed electricity boards are impacting Power sector

The weakness in global markets and the Indian telecom companies has prevented us from monetizing our investments in tower companies and use the proceeds from the same to reduce our debt.

Even, in the power franchisee business, the input costs of power and operational costs have gone up and these are not being passed on to the end consumer. The situation may improve with the increase in tariffs and legislation to curb losses.

We had informed you about the likely negative scenario last year and as expected it had negative impact, both on our revenue and profitability.

Business Overview & Outlook

The Financial snapshot of the year, is as follows:

On a consolidated basis,

- Revenues of ₹ 2,601.32 Cr. (US$ 478.99 Mn.)
- PBDIT of ₹ 188.82 Cr. (US$ 34.77 Mn.)
- PAT of ₹ (554.77) Cr. (US$ 102.15 Mn.)
- Order visibility as on March 31, 2013 stood at ₹ 2,650.00 Cr. (US$ 487.95 Mn.)

*(US$ 1 = ₹ 54.31 as on March 31, 2013)

Corporate Debt Restructuring (CDR)

The Company has completed the process of restructuring its debts from domestic lenders and is in the process of restructuring its loans in the form of ECB and NCDs.

New Growth Opportunities

Even though our economy is going through a very difficult phase, we believe in the potential of the telecom and power sector, and our capability to address them. We are sure that with the capable management team, the Company will continue to focus on overcoming the challenges and creating new opportunities for growth. We, however, believe that it could take 3 to 4 years for new opportunities to emerge.

Extending Network Deployment Capabilities in Power Sector

Our know how of implementation and maintenance of large telecom networks has been extended to power sector. Power sector represents a huge opportunity in Power Generation, Transmission and Distribution, though it too, has challenges across several areas.

Power Management Business

We are distributing power to Aurangabad Urban Circle (I & II) on behalf of the local distribution company and are responsible for distribution of electricity to both industrial and residential units from the grid. We are increasing the efficiency in distribution of electricity by cutting down Aggregate Technical and Commercial (AT&C) losses.

We believe we can develop similar businesses for additional new regions/ areas in the near future as Government and State Electricity Boards accelerate their efforts to privatise Power Distribution.

We are successfully completing the Automated Meter Reading Infrastructure for our HT customers and have invested in capex to improve the distribution infrastructure. We are also looking at other initiatives like Distribution Automation, modernizing the infrastructure etc. that will further minimize the AT&C losses. We are making efforts to minimize the losses incurred on account of leakage and theft of power.

Key Challenges

Increasing Recurring Revenue

Our Power Distribution Franchisee business along with Energy Management business for telecom operators has helped us build a business model that has recurring revenue. We are now focusing on winning similar business that shall add recurring revenues. Out of the current consolidated revenue of ₹ 2,601.32 Cr. the recurring revenue is approximately ₹ 2,125 Cr. and is likely to go up moving forward.

Introduce new services

Globally the telecom sector is likely to witness growth in data services over the next few years. This growth is likely to ride on implementation of LTE networks. GTL has begun offering new services like Remote Network Management, Benchmarking the networks, Network Design in the LTE space etc. to our customers in the advanced markets. As the Network evolves in the other markets, similar services can be offered in other regions over the period of three to four years.

Focus on Cost

Looking at the external environment, the Company has already initiated several measures across admin, procurement, transportation, energy etc. that would bring down the administration and wage costs. The Company will also continuously monitor the cost structures and would take suitable action as and when required.

Monetizing our Investments

Although currently both the capital markets and telecom sector in India are going through a rough phase, we believe we can monetize our investments in telecom tower sector over a period of 3–5 years and to reduce our debt.

People

Restructuring of our business in Indian market required churning of skill set of employees. As a result, our employees and contracted associates reduced from 8,710 to 6,384 as on March 31, 2013.

Our employees continue to contribute to the cost saving efforts by taking a salary cut ranging from 10–20% and have foregone several other benefits. I for myself have been taking a token salary of ₹ 1 per month till current year.

Corporate Social Responsibility

We have focused our attention on areas like imparting education to the underprivileged children and providing employment opportunities to women and physically challenged people. Our employees are helping our progress not only in terms of business but also by its impact on the community by volunteering their free time. Our efforts in Energy Management will also help in reducing the carbon footprint of the telecom industry in the coming years.

Conclusion

The past year had been a very difficult year and our focus is now to stabilize and grow the business. It would be our endeavor to bring in efficiency in telecom networks and power distribution, being environment friendly and creating employment in rural India.

New policy initiatives like the 100% FDI in telecom, rollout of 3G and 4G/BWA networks should ease out the business environment and return the growth to the telecom and power industries. However, we believe this could take sometime.

For all that our Company has accomplished over the years, we would like to thank all our stakeholders, customers, financial institutions, partners and employees for their unwavering interest and support and look forward for the same in future.

Place: Mumbai
Date: August 3, 2013

Manoj G. Tirodkar
Chairman & Managing Director

Management Discussion & Analysis Report

BUSINESS SNAPSHOT

GTL, a Global Group Enterprise, is a diversified technology and Infrastructure services Company focused on Telecom and Power. In the telecom segment the Company provides Network Service solutions to telecom operators, OEMs & tower companies. In the power sector the Company offers EPC services, Distribution Franchisee and Grid solutions to Utilities and Distribution companies.

TELECOM

Network Planning & Design

Network Planning and Design services deliver value by designing the most economical network with high Quality of Service to support the current and future technology and capacity requirements of the operators. To satisfy this, GTL engineers use technology expertise, sophisticated algorithms, world–class tools and disciplined design processes to provide end–to–end, multi–vendor design solutions. Network Planning and Design services cover Radio Frequency (RF) and Transmission Engineering, Fixed and Core Network Engineering for 3G, 4G, Microwave Transmission, SDH, DWDM, WiMAX and Broadband networks.

Benchmarking & Optimization

GTL's Benchmarking and Optimization solutions are aimed at improving the performance of an operators network, post the network roll out. With ever changing data traffic demands with the usage of smart phones and pressures on managing the operational costs, service providers are increasingly looking at Benchmarking and Optimization services for meeting the needs of customers and save on capital and operational expenditure.

GTL's trained resources offer their expertise across 3G and 4G technologies for benchmarking the operators services against competition and also on optimizing the current network for increased performance.

Network Rollout

GTL offers a comprehensive suite of Network Deployment services that support every phase of the deployment process. The offerings include active as well as passive infrastructure deployment for wireless networks.

GTL has a proven track record of successful network roll outs. GTL's multi skilled professionals leverage mature processes and techniques, help to create turnkey solutions for managing, integrating, installing customers multi vendor networks.

Operations & Maintenance

GTL's Network Operations and Maintenance services portfolio enables operators to focus on their core areas of business while GTL manages Network Operations and Maintenance activities. This approach helps the operators in owning a high performance network at reduced operational expense.

GTL has extensive experience on multi–technology products across geographies, maintenance systems and right shoring of operations. This enables GTL to manage operators' critical task of Network Operations & Maintenance seamlessly.

Managed Services

GTL's Managed Services allow operators to free themselves from non–differentiating tasks of building and operating the network and focus on their customers and products.

GTL's Managed Network Services offerings are based on the Build–Operate–Manage (BOM) model and offer KPI/SLA based end–to–end services from Network Planning & Design, System Engineering, Installation & Commissioning, System Integration, Optimisation, Network Operations and Field Maintenance.

Energy Management

With the Network expansion in semi–urban and rural areas, uninterrupted supply of energy has become the biggest concern for operators in recent times. GTL's Energy Management Solutions are aimed at reducing the energy expenses by 5–8% through installation of energy efficient devices, energy audit of telecom infrastructure, process improvements, using alternate sources of energy like solar, wind etc. The solutions will benefit the service providers by reducing their operational expenditure and more importantly their carbon footprint.

POWER MANAGEMENT

GTL's service offerings in the power sector include rollout of Transmission & Power Distribution (T&D) networks and Power Distribution Franchisee.

Transmission & Distribution – Distribution and Balance of Plant

GTL has extended its Network Deployment and Project Management capabilities to deploy distribution and transmission networks for power sector. The Engineering, Procurement and Construction (EPC) services are offered in the Distribution and Balance of Plant – generation segments. The Company has won multiple contracts from Maharashtra State Electricity Distribution Co. Ltd (MSEDCL) and plans to extend its services to other electricity boards across the country.

Power Distribution Franchisee

GTL has also entered into Power Distribution Franchisee business. Under this contract, GTL undertakes distribution and supply of power, Operations and Maintenance, allotment and installation of new connections, meter reading, generation and distribution of bills and payment collection etc. in the designated Distribution Franchisee Area (DFA).

GTL is currently operating a Power Distribution Franchisee contract for Aurangabad Urban Circle (I & II) in Maharashtra. GTL plans to leverage its experience from the Aurangabad contract and bid for similar Power Distribution Franchisee contracts across the country.

INDUSTRY STRUCTURE AND DEVELOPMENTS

GTL, a Global Group Enterprise, is a diversified technology and Infrastructure services Company focused on Telecom and Power.

The global economic downturn had adversely affected the performance of operators in markets around the world. In India, the telecom industry has shown marginal decrease in subscriber base in the last year. The mobile subscriber base in India has decreased to 861.66 Mn. at end of February 2013 as against 919.17 Mn. at the end of March 2012, registering a de–growth of 6.26 %. The share of Urban subscribers that was giving higher average revenue per user has declined to 60.50% in February, 2013 from 65.23% in March, 2012 whereas share of Rural subscribers has increased to 39.50% in February, 2013 from 34.77% in the month of March 2012. With this, the overall teledensity in India has fallen to 70.42 at the end of February, 2013. Revenues of operators have also not increased, due to cut throat competition and tariff wars. The Indian telecom players are already grappling with falling average revenue per user (ARPU) which is amongst the lowest in the world.

Growth has slowed, abetted by constrained credit markets, and thus accelerated the commoditization of traditional telecom services, while reducing the valuations of operators large and small. Also in the light of the after effects of the failed regulatory reforms and stringent legislative actions taken in the sector, the Return on Investments of these operators has been less than expected. As a result, operators are focused on cutting costs and increasing operational efficiency to protect profitability which in turn has percolated down to all the ancillary industries that operate to either support the Telecom industry or provide infrastructure services to them.

Some of the developments that are believed to have had a negative impact on the sector:

All operators face huge penalties

- Almost every telecom operator is facing some penalty from the government arm
- The collective amount of penalties and claims of DoT and the Income Tax department amount to approximately ₹ 70,000 Cr.
- The companies have challenged all demands in court

Spectrum will remain expensive

The Supreme Court's judgment cancelling the 122 2G licenses and its ripple effect , changed the economics of operators.

- All spectrum will now be priced at the market price. Because of the stiff asking price, pan India operators like Uninor, Videocon and Sistema, could win permits only in 6–8 circles in the recently concluded auctions
- After the SC ruling, DoT reportedly felt that if the new players are asked to pay the market price, to level the playing field, it should ask the older players to do the same
- Older operators are staring at an outgo of ₹ 17,000 Cr. on account of one time fee

License renewal will be litigious

- Older operators are bearing the brunt of the demand
- Between 2014 and 2019, most of the licenses of the old operators– Bharti, Vodafone and Idea, the first entrants and operating in the efficient spectrum band of 900 MHz will come up for renewal
- The center has fixed the base price at ₹ 24,000 Cr. for 5 MHz in the 900 Mhz band
- The industry saddled with more than ₹ 2,00,000 Cr. debt will struggle to buy spectrum at these rates, especially as banks are also not too keen to lend
- More and more cases could end up in court

The sector is crowded and the rules do not encourage M&A's

- Diminishing returns from the business and the shake up caused by the Supreme Court verdict have reduced the number of operators. Still the competition is stiff with 7–10 players in a circle
- There are smaller players who will be forced to exit
- Some of the rules relating to M&A in the sector will add to the financial and operating strain facing companies, discouraging them from buyouts
- Another point holding back companies is that they are not sure about which rules, the government will use to assess M&A proposals

The possibility of policy surprise remains

- Telecom, as an Industry is policy driven
- A stable and consistent policy regime which gives the companies confidence to commit and plan for the long term has remained elusive.
- Slower 3G and BWA growth: Statistics have shown 3–4% of the 3G and BWA revenue/subscriber targets only have been achieved for which ₹ 1.20 lac Cr. has been spent by Operators towards license fees for 3G & BWA. Ongoing litigations over 3G roaming agreements has further introduced ambiguity in the network roll out plans.
- Freeze on fresh debt and equity: Ambiguity along with negative lookout has induced stress on the financial positions of all the companies related to telecom and uncertainty of the ongoing litigation in the sector have resulted into freeze of fresh capital outlays towards the sector.

(Source: ET, business standard reports)

However, even in such an uncertain situation of legislative and regulatory glitches there is a hope that with continued demand for mobile telephony services for voice and broadband services, a fresh round of capital expenditure could be expected from Telecom Operators in the next 2–3 years.

GTL has decided to derisk its dependence on the Telecom Sector and has now also decided to enter the power sector. In order to leverage its experience and skill–sets in project execution and Network Deployment GTL is working towards development of business in Power Transmission & Distribution by undertaking EPC contracts and also is concentrating on acquiring new Power Distribution franchisee contracts.

In this year Power too has seen lows in its business cycle that was plagued by a combination of acute fuel scarcity and the inability of cash–starved distribution companies to buy electricity from plants using costly imported fuel. Most coal–based power plants can't recover even their operating costs while running gas plants has become commercially unviable due to almost zero availability of fuel. Ironically, new plants using the fuel–saving 'supercritical' technology are the worst hit as their efficiency decreases at low utilisation. At the same time the High level of (AT&C) losses at distribution level poses the biggest challenge to reforms in power sector. Even the less than proportionate hike in Tariff vis–à–vis the hike in the price to purchase power has added to financial constraints of Power Distribution Companies (Discoms).

OPPORTUNITIES AND THREATS

TELECOM

GTL operates mainly in seven regions – namely India, USA, Europe, Middle East, Asia Pacific, Africa and SAARC. Some of these markets like SAARC and Africa are in high growth phase while the others like USA, Europe, Middle East, APAC are in matured phase.

The growth markets of Africa, SAARC and Middle East region continue to offer opportunities for the Network Deployment Operations & Maintenance services. The matured markets of USA and UK offer opportunities for Network Planning, Design, Optimization and Benchmarking services. While the developing market offers opportunities in 2G and 2.5G networks, developed markets offer opportunity in 3G and 4G space.

The Company plans and continues to operate those projects which offer higher margins and require lower working capital. GTL shall concentrate to develop the Network Services business in international markets. Domestically, GTL shall continue to offer its services of Energy Management for the Telecom business.

Energy Management Services

Energy consumption is one of the leading drivers of operating expenses for both fixed and mobile network operators. Reliable access to electricity is limited in many developing countries that are currently the high–growth markets for telecommunications.

In India, the Network expansion by existing and new operators in semi urban and rural areas is expected to drive the demand for towers in the region. These regions are plagued with shortage of power. Currently the power requirements are met through electricity mains, batteries and diesel generators.

At GTL, Energy Management is an opportunity to address a critical need of our customers and contribute to the reduction of carbon footprint of the telecom industry. GTL plans to use innovative methods and processes, products and solutions that can bring down this energy consumption by about 5–8%.

POWER

Total investments for the Indian power sector, as projected by the Working Group on Power for the 12th Five Year plan, stand at ₹ 13,72,580 Cr. (US$ 253.6 billion). Out of this ₹ 4,93,717 Cr. are going to be spent on Transmission, Distribution and energy efficiency projects.

GTL's expertise in EPC for the power sector especially in the transmission and distribution sectors should help us in winning projects.

The distribution system in India, has been plagued by consistently higher Aggregate Technical and Commercial (AT&C) losses. These can be reduced by improving metering efficiency, proper energy accounting & auditing and improved billing & collection efficiency.

Hence, with a view to improve the AT&C lossess various governments have shown inclination towards modernization and technology upgradation of the distribution networks.

Distribution franchisee is one such model that is being adopted by the governments. The main profit drivers for franchisees are operational efficiency, increasing billing efficiency and reduction in AT&C losses.

GTL has the Power Distribution Franchisee Contract for Aurangabad Urban Circle (I & II) for a period of 15 years. In future, GTL plans to leverage its experience from the Aurangabad project by bidding for similar projects in other parts of the country.

If GTL is able to infuse liquidity by way of by capital infusion, it could bag a few more projects as above that shall be beneficial to the Company in the long run to add to their revenues and increase its profit margins. GTL currently is in talks with its lenders to help with the growth plans in its business.

FUTURE OUTLOOK

GTL has outlined the following strategy for its growth.

Focus on annuity driven high margin business

GTL will focus on annuity driven high margin business like network operations & maintenance. This has very good traction with the customer as it is mission critical for the telecom networks.

Introduce new services

GTL has begun offering new services like Remote Network Infrastructure Management, Benchmarking the Networks, Network Design in the LTE space etc. to the operators. Remote Network Infrastructure Management Services (RNIMS) are targeted at mobile operators to manage their 2G/3G/4G Infrastructure from NOC's (Network Operating Centre) located in India and UK. Moving forward the Company intends to come out with new services on emerging technology to increase recurring revenue.

Growing the Power Distribution Business

Indian Power Sector offers a huge growth opportunity in future. In order to leverage its experience and skill–sets in project execution and Network Deployment, GTL has forayed into power sector.

During the year 2010–11, GTL forayed into power sector with entry into Power Transmission and Distribution and Power Distribution Franchisee businesses. GTL has in hand a 15 years Power Distribution contract for Aurangabad Urban Circle (I & II) and has undertaken several EPC Power Transmission and Distribution contracts from MSEDCL.

The diversification in Power Management business has brought about a shift in revenue profile of the Company from one–time project driven revenue model to a more diverse, long term and recurring revenue stream. Expansion in Power sector will also help GTL mitigate business risks by reducing its dependence on Telecom sector.

DISCUSSION ON CONSOLIDATED FINANCIALS

The financial year ending March 31, 2012 was for the period of 9 months where as FY 2012–13 is for 12 months.

For the purpose of financial analysis, the figures in rupees for the FY 2012–13 and FY 2011–12 are converted into US$ as under:

Particulars	FY 2012–13 (₹)	FY 2011–12 (₹)
Profit and Loss Account – 1 US$ equals to	54.31	50.22
Balance Sheet– 1 US$ equals to	54.67	51.29

Pre–elimination and Post–elimination Revenues of the Group

Particulars	FY 2012–13 (₹ Cr.)	FY 2011–12 (₹ Cr.)	FY 2012–13 (US$ Mn.)	FY 2011–12 (US$ Mn.)
GTL (Standalone)	2,171.58	1,506.99	399.86	300.08
International Subsidiaries	431.39	365.60	79.43	72.80
Indian Subsidiaries	0.17	1.18	0.03	0.23
Pre elimination Group Revenues	2,603.14	1,873.77	479.32	373.11
Less: inter– company elimination entries	1.82	9.08	0.33	1.81
Post elimination Group Revenues	2,601.32	1,864.89	478.99	371.34

SEGMENT REPORTING

The Company earlier had one Reporting Segment "Network Services". The Company has also commenced the operations of the Power Distribution franchisee and EPC Power T&D projects. The Company, therefore from now on, will have two Reportable Segments viz. "Network Services" and "Power Distribution Franchisee and EPC".

"Network Services" comprises of Network Planning & Design, Network Deployment, Professional Services, Energy Management, Operations and Maintenance and Infrastructure Management. **"Power Distribution Franchisee and EPC"** comprises of Power Project – EPC and Power Distribution franchisee.

The Segment wise Revenue is as follows:

Segment Revenue	FY 2012–13 (₹ Cr.)	FY 2011–12 (₹ Cr.)	FY 2012–13 (US$ Mn.)	FY 2011–12 (US$ Mn.)
Network Services	1,572.59	1,202.67	289.56	239.47
Power Distribution Franchisee and EPC	1,028.73	662.02	189.42	131.82
Total Segment Revenue	2,601.32	1,864.69	478.99	371.29

Cost of Sales, Services and Delivery

In the FY 2012–13 **Cost of Material and Services** stood at ₹ 2,034.78 Cr. (US$ 374.67 Mn.) (78.22% of revenue) as against ₹ 1,406.89 Cr. (US$ 280.15 Mn.) (75.44% of revenue) in FY 2011–12.

Employee Benefit expenses stood at ₹ 296.69 Cr. (US$ 54.63 Mn.) (11.41% of revenue) as against ₹ 266.94 Cr. (US$ 53.15 Mn.) (14.31% of revenue) in FY 2011–12.

Other Expenses includes Travelling, Conveyance, Rent, Consultancy and other expenses stood at ₹ 119.47 Cr. (US$ 22.00 Mn.) (4.59% of revenue) as against ₹ 124.23 Cr. (US$ 24.74 Mn.) (6.66% of revenue) in FY 2011–12.

Interest and Finance Charges

The break–up of Finance Cost and Other income is as provided below:

Particulars	₹ Cr.		US$ Mn.	
	FY 2012–13	FY 2011–12	FY 2012–13	FY 2011–12
Interest Expense	566.78	451.93	104.36	89.99
Other Income				
Interest Income	4.10	28.88	0.75	5.75
Dividend from other investments	0.01	3.78	0.00	0.75
Profit on sale of Current Investments (Net of diminution in value of Investments)	1.89	1.17	0.35	0.23
Lease & Rent Income	2.70	6.66	0.50	1.33
Profit on sale of fixed assets (Net)	0.21	2.99	0.04	0.60
Gain on Foreign Currency	29.39	0.70	5.41	0.14
Other Non–Operating Income	4.24	5.15	0.78	1.03

Exchange Variation

The Company and its subsidiaries execute projects in more than 20 countries and thus have exposure in several currencies related to bank deposits, payment to suppliers, receivables and loans e.g. ECB / Suppliers' credit. Fluctuations in currency exchange rates and interest rates are the potential risks in these transactions.

Provision for Tax

Provision for Tax	FY 2012–13		FY 2011–12	
	₹ Cr.	US$ Mn.	₹ Cr.	US$ Mn.
Income Tax	(1.73)	(0.32)	21.42	4.27
Deferred Tax	4.99	0.92	(1.72)	(0.34)
Total Tax	3.26	0.60	19.70	3.92

Balance Sheet Items

Equity Share Capital

As on March 31, 2012 the equity share capital was ₹ 97.27 Cr. (US$ 18.96 Mn.). GTL's Share Capital as on March 31, 2013 is given as under:

Particulars	No. of Equity Shares	₹ Cr.	US$ Mn.
Equity Capital as on March 31, 2012	97,267,833	97.27	17.79
Add: Allotment of Equity Shares on conversion of CCDs	59,689,860	59.69	10.92
Equity Capital as on March 31, 2013	**156,957,693**	**156.96**	**28.71**

Preference Share Capital

Particulars	No. of Equity Shares	₹ Cr.	US$ Mn.
Number of Preference Shares at the beginning of the year as on March 31, 2012	Nil	Nil	Nil
Add: Allotment of Preference Shares	650,000,000	650.00	118.91
Preference Capital as on March 31, 2013	**650,000,000**	**650.00**	**118.91**

Reserves and Surplus

Reserves and Surplus as on March 31, 2013 was ₹ 171.85 Cr. (US$ 33.51 Mn.). In view of the loss during the period, the Company has not created Debenture Redemption Reserve.

Particulars	₹ Cr.	US$ Mn.
Reserves & Surplus on June 30, 2013	1,138.86	209.70
Add:		
Profit during the year (Excluding Extra–ordinary Income Profit/Loss but after Prior Period Adjustment, Profit/Loss on associates, Reserves on Consolidation	(554.34)	(102.07)
Share Premium on ESOP Reserve	(1.20)	(0.22)
Securities Premium Reserve	211.6	38.96
Translation & Reserve on consolidation	0.89	0.16
Reserves & Surplus on March 31, 2013	**795.81**	**146.53**

Net Worth

Particulars	₹ Cr.	US$ Mn.
Equity Capital as on March 31, 2013	156.96	28.71
Preference Capital as on March 31, 2013	650.00	118.91
Reserves & Surplus on March 31, 2013	795.81	146.53
Total Net Worth	**1602.77**	**294.15**

Loans

Long term borrowing as on March 31, 2013 was ₹ 3,120.44 Cr. (US$ 570.83 Mn.) as against ₹ 4,035.95 Cr. (US$ 786.88 Mn.) on March 31, 2012.

Net Fixed Assets

As on March 31, 2013 the net fixed assets were ₹ 618.09 Cr. (US$ 113.07 Mn.) as against ₹ 778.17 Cr. (US$ 151.72 Mn.) on March 31, 2012.

Investments

As on March 31, 2013 GTL's investments stood at ₹ 2,346.05 Cr. (US$ 429.17 Mn.) as against ₹ 2,329.33 Cr. (US$ 454.15 Mn.) as on March 31, 2012. GTL's investment in GTL Infra as on March 31, 2013 was ₹ 291.23 Cr. (US$ 53.28 Mn.) as against ₹ 291.23 Cr. (US$ 56.78 Mn.) as on March 31, 2012 and GTL's investment in CNIL as on March 31, 2013 was ₹ 1,637.48 Cr. (US$ 299.55 Mn.) as against ₹ 1,068.12 Cr. (US$ 208.25 Mn.) as on March 31, 2012.

Thus, the unquoted and quoted investments are as given below:

Investments	₹ Cr.		US$ Mn.	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Quoted				
Equity Share	291.23	291.23	53.28	56.78
Total Quoted	291.23	291.23	53.28	56.78

Investments	₹ Cr.		US$ Mn.	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unquoted				
Equity Share	1,768.31	1,198.95	323.48	233.76
Preference Shares	252.33	245.59	46.16	47.88
Debentures	–	569.36	–	111.01
Total Unquoted	2,020.64	2,013.99	369.64	392.65
Limited Liability Partnership	0.05	0.05	0.01	0.01
Share of Loss of Investment in Associates	(20.54)	(27.15)	(3.76)	(5.29)
Preference Share Application Money	54.67	51.30	10.00	10.00
Total Investment	**2,346.05**	**2,329.33**	**429.17**	**454.15**

Receivables decreased from ₹ 1,147.57 Cr. (US$ 223.74 Mn. as on March 31, 2012 to ₹ 1,101.92 Cr. (US$ 201.58 Mn.) on March 31, 2013. Delay in payments from customers due to declaration of CDR & resultant uncertainity has led to increase in Daily Sales Outstanding (DSO) from 155 to 225 days.

Funds Employed

During the year, Telecom sector faced severe liquidity crunch. In addition to this, GTL Infra was admitted to CDR in previous financial year. As a result, receivables and Loans & Advance made to GTL Infra could take some time to realise.

Company's focussed effort on utilization of Inventory, resulted in decreased Inventory.

Inventory as on March 31, 2013 was ₹ 405.89 Cr. (US$ 74.25 Mn.) as against ₹ 431.61 Cr. (US$ 84.15 Mn.) as on March 31, 2012.

Contribution to Exchequer

Particulars	₹ Cr.		US$ Mn.	
	FY 2012–13	FY 2011–12	FY 2012–13	FY 2011–12
A. Direct Tax				
Income Tax paid during period	13.80	11.43	2.53	2.23
B. Indirect Tax				
Sales Tax/VAT/WCT/ Cess	1.21	5.56	0.22	1.08
Service Tax	90.53	50.23	16.56	9.79
Total (B)	**91.74**	**55.79**	**16.78**	**10.88**
Total (A+B)	**105.54**	**67.22**	**19.31**	**13.11**
International Taxes (C)	26.58	32.51	4.86	6.34
Total Taxes (A+B+C)	**132.12**	**99.73**	**24.17**	**19.45**

Related Party Transactions during the Year

₹ in Crore

Particulars	Associates Companies	
	For the Year ended March 31, 2013	For the Period ended March 31, 2012
Sales & Services	519.37	393.22
Reimbursement Expenses from	77.04	58.46
Interest Income	NIL	15.45
Rent Received	2.61	1.91
Purchases	NIL	0.01
Reimbursement Expenses to	347.74	283.70
Claims towards Invocations of Shares	NIL	302.08
Preference Shares – Allotment	650.00	NIL
Prefrence Shares Application Money	NIL	650.00
Investment in Equity Shares	569.36	–
Investment in 0% Unsecured Compulsorily Convertible Debentures (CCDs)	–	569.36
Other Expenses	4.65	NIL

Relationship:

Associates: GTL Infrastructure Limited, Global Rural Netco Limited, Chennai Network Infrastructure Limited.

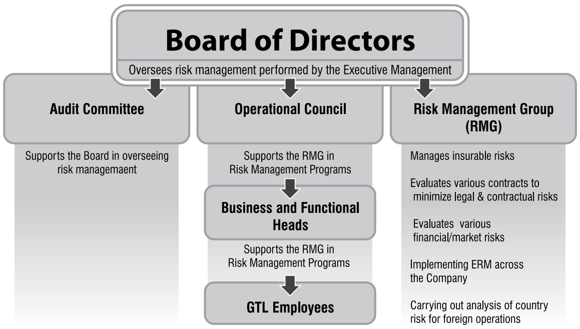
RISK MANAGEMENT REPORT

In today's dynamic business environment 'Risk Management' is an essential function to have a sustainable & effective business model in place. In India, Enterprise Risk Management (ERM) has evolved steadily in progressive companies. It is developing from being merely a risk identification and assessment process to building a risk portfolio that is continually assessed and monitored. The perception that "risk is not my responsibility" has evolved to a more realistic "risk is everybody's responsibility".

GTL has a Risk Management Group (RMG) in place to facilitate the execution of risk management across the organization. The Company's approach is to identify, monitor and evaluate risk throughout the group companies and to manage these risks within its risk appetite. For this very purpose GTL has an Integrated ERM Framework in place.

This report prepared in accordance with Clause 49 (IV) of the Listing Agreement with Stock Exchanges in India, sets out the ERM practiced by GTL Limited (the Company). Shareholders and other readers are cautioned that the risks outlined here are not exhaustive and are for information purposes only. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these events or how they may affect it.

Risk Management Structure



Overview

GTL took a decision to restructure its financial indebtedness and has now completed and implemented the Corporate Debt Restructuring (CDR) of a substantial portion of its debt The current progress under the CDR plan is outlined in the Directors Report.

I. FINANCIAL RISK

Market Risk

The global perspective

- Though the slowdown in high–income economies is sharper, developing countries are also affected. Downside risks related to the loss of markets confidence in the ability of one or more high–income countries especially in the euro area to repay their debt remains a serious concern
- Global GDP growth forecast is significantly downgraded. The global economy was expected to expand at 3.6% for 2012 projected in June 2011. The Growth rate recorded in 2012 has been 3.2% only. The growth rate in the advanced economies, which are our major markets, declined from 1.6% in 2011 to 1.3% in 2012
- The World Bank cut its forecast for growth in developing economies to 5.4% for 2012 from its previous forecast of 6.2%, saying expansion in Brazil and India and to a lesser extent Russia, South Africa and Turkey, had slowed already
- Rise in global inflation and cost of financing has affected earnings of many companies and has led to a loss of investor confidence, thus making international financial markets extremely volatile

The Indian perspective

- Central Banks of developed nations are keeping their interest rates low to stimulate growth and are even willing to accept inflationary pressures in the short term. In India also, inflation has fallen resulting in RBI cutting the interest rates
- The RBI had hiked its key–policy rates thirteen times since March 2010 to curb demand and tame inflation. RBI has now cut the interest rate as inflation is falling. It is expected that

RBI shall undertake consecutive rate cuts as inflation has come into the expected levels and GDP rate is dropping

- Currently Market risk is moderate for the Company owing to the CDR that has been completed, helping bring down interest rate risks to the extent of the rupee term loan exposure. The domestic currency risk has thus been successfully postponed for 7 years
- The Company also has exposure to foreign currency loans in form of External Commercial Borrowings (ECB) of US$ 150 Mn. overdue, which face un–hedged foreign exchange risks as the Company does not have sufficient foreign currency income to act as a natural hedge for these loans. The Company is negotiating for restructuring the ECB to postpone it's foreign loan liability to the future
- As the revenues from our existing business lines are all dependent on the sustainability of Telecom & Power sector, we believe that macroeconomic factors, including the growth of the Indian economy, interest rates, as well as the political and economic environment, currently have a significant direct impact on our business, results of operations and financial position

Liquidity & Leverage Risk

- The Telecom industry, which is a significant contributor to the Company's revenues, is facing intense liquidity and cost pressures which are adding to the strain on margins and timely payments to the Company from customers, thus intensifying the liquidity pressure on the Company. If the telecom sector continues to be bleak, pressure will mount on liquidity of GTL
- Due to the sectoral developments in the beginning of the financial year 2011–12, the Company faced severe liquidity crunch and had referred itself to the CDR to restructure its debt which it has successfully implemented. Liquidity pressure has eased but it is not possible to raise further loans from banks in the immediate future
- The Power business suffers from a mismatch in the hike in input cost as compared to the rise in Tariff monitored by MERC. The Tariff has not grown in proportion to the growth in cost incurred by the Company to maintain the business, thus leading to very low & sometimes negative margins and hence affects the profitability of the business
- The Company's market capitalization has been eroded by as much as 90% from its peak. This has made it difficult to raise further capital in the form of equity from financial markets or strategic investors at the moment. Thus, liquidity risks will continue to remain high in the near future
- The Company had given a collateral security of approximately 27.29 Cr. shares of GTL Infra that it owns, for a ₹ 250 Cr. loan taken by its associate company CNIL from IFCI, who then illegally invoked 17.63 Cr. shares of GTL infra and appropriated to itself the shares without notice. But after legal notice they agreed to continue to be a 'Pledgee' of the shares. And now GTL is in the process of settling this dispute with IFCI where the later has agreed to convert its debt portion to equity of CNIL and shall restore the shares to GTL as part of the restructuring
- The Company has also invested approximately ₹ 1,637.48 Cr. in Chennai Network Infrastructure Ltd. (CNIL), the SPV floated to acquire the tower assets of Aircel. CNIL is to be merged with GTL Infra and on the happening of the GTL Infra–CNIL merger, the Company may have to take a write down on this investment if current market crisis persists. Though the Company believes that in the long term these investments would give better returns
- Aircel was expected to give additional 20,000 tenancies to associate Company CNIL. This was expected to generate revenues of 17,100 Cr. to GTL over 5 years starting from 2010. CNIL issued a letter of intent for the same to GTL. Pursuant to this, the Company placed orders on its suppliers and gave advances to procure inventory to meet part of this order.
- Aircel provided only about 2,500 tenancies to CNIL due to various problems faced by the industry. This was one of the reason, among other macro economic and industry issues, because of which the Company had to approach the CDR Cell to restructure the debt. Therefore it is imperative to recover these advances from suppliers and liquidate the inventory to recover its monies. The Company is making efforts to resolve the situation

Credit Risk

- A large part of the Company's business is to provide Network Services to the Telecom Operators and OEMs. Hence, the customer base is largely in the Telecom Industry. As the Telecom sector is facing growth and profitability issues, payments from customers continue to be delayed
- A significant portion of the Company's revenue contribution comes from a single telecom operator – Aircel, which has a long term contract with the Company for Energy Management. Any disruption in the arrangement due to delivery issues by the Company on account of the liquidity crunch or due to the external issues being faced by Aircel will have a significant impact on the Company's revenues
- The Company's business is also diversified in Power Distribution sector. The revenue contribution from this segment is expected to grow. However, the growth in revenues should be accompanied by lower AT&C losses which are currently high and are in the range of 20%. Reduction in these losses is linked to profitability
- 40% of the low end households are delaying payments or are not paying at all. This is due to the general downturn in the economy and the percentage may go up if the economy continues to be stressed
- Given the customer base in power sector business is diversified, we do not expect major credit risk

II. STRATEGIC RISK

Industry Risk

- The telecom operator's growth plans have been affected due to various factors like low ARPU, lack of liquidity, high domestic interest rates and some operators who are facing various litigations due to the 2G scam. The consequences of the Supreme Court's verdict of cancelling 122 licenses for mobile networks issued in 2008 have been disastrous for the telecom industry. Many new operators have exited the business, while some have reduced scale of operations.The telecom regulator TRAI is making fresh recommendations on allotment of the licenses through auction within four months thus, affecting business of many operators in the long run
- The significant investments in 3G licenses by Telecom Operators continue to strain their financial capabilities. The 3G services have yet to attract the desired level of customers and witness the estimated returns. Since the roll out is slow against the anticipation, it is affecting the Company's business prospects and growth
- India's telecommunications sector is sending out mixed signals. The potential comes through loud and clear. India has the lowest mobile–phone penetration rate in Asia, and less than 10% of the population has access to broadband. That is changing fast. The number of mobile users will rise about 50% over the next five years and telecommunication–industry revenue will grow 37% to US$30 billion by 2016, according to technology consultant Ovum. But the faulty practices and the after effects of the scam are bound to affect the growth of the industry therefore affecting the business of Tower companies in the long run
- Financial institutions and Banks are not willing to infuse more liquidity into this sector due to the uncertainties faced by the sector

Business Concentration Risk

- Historically, the Company has been in the telecom sector functioning as an ancillary to Telecom Operators. The customer profile has always been Telecom Operators, Original Equipment Manufacturers (OEMs) and tower companies. Also almost 65% of the Company's revenues has come from India. Therefore, the element of customer concentration risk was always very high. The Company had entered into the business of Energy Management and won a big contract with Aircel which is expected to generate around 33% of the revenues of the Company. Therefore, the fortunes of the Company are very tightly integrated with those of some customers like Aircel and the Company should take steps to mitigate such concentration risks by getting additional customers and also geographically diversifying operations and customer base
- Historically, the Company's customer base was solely in the telecom sector. This meant a high sector concentration risk. The Company has now diversified into Power Distribution sector, which is a significant development for the Company and this will help the Company diversify its business concentration risk

Competition Risk

- The Competitive landscape for the Company is limited in the telecom side of the business as most of the competition in network rollouts is from small fragmented players. The Energy Management business has been pioneered by the Company. The first contract of its kind has been signed in the country with Aircel. In Network Planning and Optimisation the competition is from IT firms but not from any telecom players
- The Power Distribution business is where the Company is a new entrant. There are established players in the field like Reliance Energy, Tata Power, Torrent Power among others. However, once a contract is awarded the operator gets a virtual monopoly in the area where the distribution franchisee is awarded. Though this model is changing in larger cities like Mumbai and Delhi where multiple distribution companies are in competition with each other and consumers have an option to choose their electricity provider

III. OPERATIONAL RISK

Reputation Risk

- The Company is facing a reputation risk due to the multiple factors like erosion in market capitalization, the CDR, delayed payments to vendors as a consequence of debt restructuring, pay cut and other issues beyond management control & industry dynamics discussed in this report

Project Risk

- It is critical for the Company to execute large & complex projects within budgeted cost and schedule to avoid penalties from customers. In most of the Company's contracts there are penalties / liquidated Damages and any delayed or deficient delivery may lead to a loss of profitability for the Company
- Power tariff hikes granted by MERC in Aurangabad are not enough to sustain good profitability margins and the company hopes to increase power tariffs to help it to sustain its profitability margins
- The Power Distribution business of the Company may be subject to various new kinds of operational risks like short circuits, voltage fluctuations, power pilferages, third party damage, human loss, small scale and large scale fires and such other disasters. It will require the Company to constantly monitor safety standards and quality of service on a 24x7 basis. Any of the aforementioned events may lead to losses that may erode the profitability of the business. Adequate insurance policies to take care of these eventualities must be obtained to avoid catastrophic losses. Also, in cases of extreme negligence and catastrophic events, senior officers and directors may be held criminally liable for gross negligence or willful misconduct
- Certain banks have incorrectly withheld release of sanctioned limits of PBGs and working capital which has hampered the growth of Power DF and EPC business

Manpower Risk

- The uncertainties in the Telecom sector may lead to increased levels of attrition and lead to disruption in project execution and service delivery. However, we did not see significant attrition

- Also, pay cut has been undertaken which may act as a deterrent to recruitment of quality manpower to replace those who leave the Company
- The loss of reputation caused to the Company by the combined factors of loss of market value of the shares, referral to the CDR and pay cut means that recruitment of good quality manpower may suffer in the short to medium term

Automation, IT Security & Business Continuity Risk

- Service related business extensively depends on IT systems to provide connectivity across business functions through software, hardware and network systems. Any failure in IT systems or loss of connectivity or any loss of data arising from such failure can impact business continuity adversely
- The Company has implemented Disaster Recovery Plan and has effective back up systems in place to ensure business continuity
- The Company needs to introduce effective automation in various businesses like Energy Management and Power Distribution businesses to rationalize costs, improve efficiency in delivery and improve profitability

Technology Risk

- The Company constantly strives to identify new technology requirements and adapts to provide new services to its customers. Investments are required in training in software and service architecture for certain businesses of the Company

IV. LEGAL & COMPLIANCE RISK

Legal and Contractual Risk

- Till date Company's customers have co–operated and we have not seen significant penalties arise
- Litigations may arise from non–adherence to timely deliverables and SLA
- The Power Distribution business is consumer facing and this could lead to several small litigations from consumers who may complain about quality of service or billing among other things. There could also be mishaps, damages, fires etc which could lead to claims from the Company. The Company will have to maintain adequate insurance coverage and a good litigation team to address these issues
- Due to losses and theft in the power business, the Company has to take action to disconnect power connections to users who may or may not pay and in cases of power theft. This may lead to social unrest and litigations

Regulatory Risk

- The business segments that the Company operates in are heavily regulated by multiple regulators like TRAI, MERC etc. so the operations of the company may be subject to regulatory uncertainties and also impact on profitability
- The Company's Power Distribution business is regulated by the Maharashtra Electricity Regulatory Commission (MERC) which controls the Quality of Service and Tariffs that can be charged to the consumers and the Tariff that can be charged by Maharashtra State Electricity Distribution Company Limited (MSEDCL) to the Company

V. OTHER RISKS

These risks may not have direct impact on the organization and its activities but are risks that could affect the stakeholders of the Company and thus may affect the Company in long run.

Political Risk

- The Company does not have any interface with the Government or any regulatory authority in its business. However, the Power Distribution business is heavily regulated by the MERC, MSEB and MSEDCL. Electricity being a very politically sensitive matter could be subject to political risk if there is a change in the State Government in Maharashtra. However, this is unlikely as the contract is not dependent on the ruling party in the State

Top 3 Risks & Mitigation plans

The Company has identified the following risks as the top 3 risks facing the Company and these have been discussed in detail in this Chapter. The level of risk that is perceived by the RMG and the suggested mitigation plans are discussed in the following table:

Rating of Risk Practices	Rank	Relative Status
Very low risk	*	No or little risk. Manageable by routine procedures. No management intervention required.
Low risk	**	Normal risk exists. Manageable by improving operating procedures (internal risks) or being alert (external risks).
Medium risk	***	More than normal risk exists. Requires strong operating procedures (internal risks) and management attention (external risks).
High risk	****	Significant risk. Urgent actions required to eliminate or reduce the foreseeable risk.
Very high risk	*****	Substantial risk. Immediate actions required to contain risk. Should be kept on a continuous watch–list.

Sr. No	Type of Risks –– Current Risk Rating	Mitigation Plan
1	Strategic Risk –– *****	• Need to bring in new strategic investors to bring in business expertise and ease the liquidity situation. • Need to adhere to the obligations listed in the MRA documents signed under the CDR plan to avoid any event of default. • Need to concentrate and grow the Power Distribution Franchisee business and bring the required working capital limits from the banks.

Sr. No	Type of Risks –– Current Risk Rating	Mitigation Plan
2	Operations Risk – *****	• Need to infuse liquidity in operations to reduce this risk • Need to focus on winning new contracts and consolidate business • Need to reduce penalties, control expenses and undertake effective cost cutting measures • Need for additional Capex to reduce AT&C losses • Key insurance policies need to be undertaken to mitigate risks • Need to focus on power business and win new contracts
3	Liquidity & Leverage Risk – *****	• Need to adhere to this CDR plan and make sure there are no events of default • Reduction in operational costs and collection cycles • Improvement in operational cash flow by means of better credit terms from vendors • Need to get approval for and implement the refinancing proposal to discount revenues to generate enough liquidity to sustain the businesses of the Company • Must try to refinance the remaining debt in the Company with lower cost longer tenor loans to increase profit margins

INTERNAL CONTROL SYSTEM

The Internal Control Framework of the Company is devised to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

With the objective of safeguarding the Company's assets and ensuring financial compliance, there are well documented and established operating procedures in the Company and its subsidiaries, in India and overseas.

The Internal Control Framework of the Company is made up of five components. They are derived from the way the management runs an operation or functions and are integrated with the management process. The components of the internal control framework are:

Control Environment

The control environment of the Company sets the tone of an organisation, influencing the control consciousness of the employees. Control environment factors include the integrity, ethical values and competence of the Company's employees; management's philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops its employees and the attention and direction provided by the Company.

Risk Assessment

The Company has a system of risk assessment which covers the identification and analysis of relevant risks to achievement of the objectives, forming a basis for determining how the risks should be managed.

Control Activities

The Company has a well–defined set of control activities that includes the policies and procedures that ensure management directives are carried out. They include a range of activities as diverse as approvals, authorisations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties.

Information and Communication

Information systems produce reports containing operational, financial and compliance–related information that make it possible to run and control the organization. The Information systems also ensure that effective communication occurs in a broader sense, flowing down, across and up the organization.

Monitoring

The Company has also a process to ensure that Internal Control Systems are properly monitored – a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two. Ongoing monitoring occurs in the course of operations.

An independent review of the internal control systems is also carried out by the Statutory Auditors. Any significant deficiency in internal control along with the progress in implementation of recommended remedial measures is regularly presented to and reviewed by the Audit Committee of the Board.

Internal Audit

The Role of Internal Audit Department is in line with the role for Internal Auditors as laid down by the Institute of Chartered Accountants of India, as given below:

- Understanding and assessing the risk
- Identifying areas for systems improvement and strengthening controls
- Ensuring optimum utilization of the resources of the Company
- Ensuring proper and timely identification of liabilities
- Ensuring compliance with internal and external guidelines and policies of the Company as well as the applicable statutory and regulatory requirements
- Safeguarding the assets of the Company
- Reviewing and ensuring adequacy of information systems security control
- Reviewing and ensuring adequacy, relevance, reliability and timeliness of management information system

The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all the significant areas of the Company's operations. The Internal audit department performs risk based audits, based on an internal audit plan, which is reviewed each year in consultation with statutory auditors and the Audit Committee. The Audit Committee reviews monthly Audit reports submitted by the Internal Auditors and tracks the implementation of corrective actions. The Internal Audit Department is well staffed with experienced members.

Some significant features of the Internal Control systems are:

- Well–defined Corporate policies on accounting and major processes
- Well–defined processes for formulating and reviewing annual and long term business plans
- Preparation and monitoring of annual budgets for all operating and support functions
- A well established Internal Audit team, which reviews and reports monthly to management and the Internal Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations
- Audit Committee of Board of Directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any

Thus effective internal controls enhance the organizational performance and contribute towards accomplishment of company objectives.

HUMAN RESOURCES

The primary objective of Human Resource (HR) function is to attract and retain talent with requisite competencies, especially for emerging businesses and focus on training and development to improve productivity thereby strengthening the competitive edge of the Company.

As on March 31, 2013, GTL has 6,478 associates working for the Company as against 8,710 associates in March 31, 2012.

Talent Management

Given the dynamic nature of business environment, nurturing the human capital becomes necessary for achieving sustainable growth. GTL recently forayed in the Power Distribution Franchisee business and Human Resource is a crucial element for success in this line of business. With long term objective in mind the Company has identified several training and development programs to impart the employees with necessary skill sets.

Health and Safety

As a leading engineering Company that caters to global customers, GTL takes its Health, Safety and Environment initiatives seriously and the HSE objectives form an integral part of the overall corporate strategy.

QUALITY AND PROCESSES

Our quality system has been laid on strong systems and processes in order to capture "Voice of Customers" and "Voice of Business" to help achieve our core value of "Delighting Customers through Superior Services".

At GTL, our focus is on maturing and stabilizing world–class processes and procedures yielding the best possible quality. A holistic approach is adopted to involve everyone – employees, customers, suppliers, shareholders and society to achieve operational excellence.

Quality Initiatives at GTL

Quality initiatives at GTL are initiated to achieve excellence in Business, Operations and Processes.

Business Excellence

We adopted IMC's Ramakrishna Bajaj Business Model based on Malcolm Baldrige Business Excellence Framework in 2004 and CII – ITC's Business Sustainability Award Model in 2007. The adoption of these models helped us to fine tune our systems and processes to ensure sustainable growth and excellence.

Our efforts were recognized at various national and international forums when GTL received awards in various categories as follows:

- Ramkrishna Bajaj Performance Excellence Trophy in 2008–09
- Ramkrishna Bajaj Outstanding Achiever Trophy in 2010–11 for its exemplary performance in all aspects of Business Excellence
- GTL was awarded Commendation Certificate for Strong Commitment towards Sustainability in 2010–11 by CII – ITC Centre of Sustainable Development
- International Asia Pacific Quality Organization awarded GTL Limited the "World Class Award", the highest award, in the Large Services category for the "Best Performing Organization in the World" for year 2010–11

Process Excellence

Reinforcing its commitment to high levels of quality, best–in–class project management and robust service delivery practices GTL attained a number of milestones during the FY 2012–13.

- Recommended for continuation of the ISO 9001:2008 (Quality Management System requirements) certification
- Continuation of the ISO 14001:2004 (Environment Management) certification
- Continuation of the OHSAS 18001:2007 (Occupational Health & Safety Management) certification
- Nepal Operations of GTL Limited i.e. GTL Nepal Pvt. Ltd. was recommended for continuation of ISO 9001:2008 Quality Management System certification

Apart from this, GTL Limited is in the process of incorporating Energy management system in the operation and maintenance system after which fresh application for TL 9000 certification (a communications industry specific quality standard developed by QuEST Forum) may be considered.

The above certifications are a testimony to GTL's commitment to achieve the highest standards of quality. The cornerstone of these certifications is the in–house developed Business Management System, a vibrant, process–driven, people–oriented and customer–focused management system which is continuously evolving to cater to the requirements of the organization's varied business offerings.

Operational Excellence

GTL's operational excellence is a result of implementing a blend of Sustainability Initiatives. During the year, extensive trainings related to Environment, Health & Safety were done for employees and suppliers.

Quality in Supply Chain: To help improve customer satisfaction, greater emphasis is given to the aspect of quality in the supply chain. GTL believes that organization and its suppliers are mutually dependent. And hence partner relationships are strengthened through various initiatives such as:

- Identifying and selecting key suppliers, reducing the scale of supply system
- Sharing knowledge, technology, and other resources with suppliers
- Acknowledging the improvement and achievement of suppliers
- Initiating joint improvement activities
- Training for suppliers, sending quality teams to help suppliers improve their processes
- Supplier Performance Management system based on ISO 9001:2008 standard requirements

CORPORATE SOCIAL RESPONSIBILITY

At GTL, CSR means accountability & transparency to its stakeholders & employees, and as a prerequisite to conducting business in a responsible manner. CSR at GTL represents the integrity with which it governs itself, fulfills its mission, lives by its values, engages with its stakeholders, measures its impact and reports on its activities.

Social issues with high impact value are identified by GTL's CSR team and addressed in an extremely organized manner. The work is channelized through Global Foundation, a not for profit organization of the Global Group. Global Foundation has taken up projects in the areas of Education, Health, Disability and Community work

Every year, GTL management donates a percentage of its profit to Global Foundation for continuing the CSR program. The fact that employees volunteer their personal time for community work as well as contribute through the 'Pay Roll Giving Program' is proof that the culture of social commitment to making a better world is deep rooted in GTL.

Global Foundation has taken up projects in the areas of Education, Health, Disability and Community Work. A dedicated team at Kudal and Mumbai ensures that the projects are carried out with much passion and enthusiasm. CSR at Global Group has become the point of convergence of various initiatives aimed at ensuring the socio–economic development of the community, which would be livelihood–oriented as a whole, in a credible & sustainable manner.

Focus Areas

Disablity

Project Netra:

The Foundation has initiated Project Netra to bring about positive change in the lives of visually challenged through IT training and Education. Global Foundation currently has one Advanced Computer center in Mumbai and another in Chennai. Students are trained by visually challenged trainers in Basic, Advanced & Hardware courses in Computers. Students are also given additional training in soft skills, maths & preparations for Interviews too. 336 visually challenged students till date who have been trained by Global Foundation have found job opportunities in the IT sector, Banks, Offices etc and have become self reliant.

Project Talk 64:

Foundation has developed a Chess Software called Talk 64 which enables a visually challenged person to play chess. This Chess software is being distributed all over the world free of cost through the All India Chess Federation for the Blind. More than 2000 visually challenged play Chess with this software.

Project Drishti:

Global Foundation creates awareness on Eye donation through mass media campaigns, posters and on the website. The impact of this campaign has been seen, not only Globalites but many others have pledged to donate eyes and also create awareness.

Education

Gyan IT:

The Foundation has set up a series of static computer centres in schools of Sindhudurg and Thane districts during the past 9 years. At present more than 120 such labs are operational, over 1,87,200 students have become computer literate and are able to choose their career in ICT or opt for higher studies such as BCA and MCA.

The Foundation has been spreading its IT literacy program to other states as well and has opened a new computer lab with 8 computers at Patna. More than 200 students have benefited from this lab uptil now.

The Foundation held a Computer Competition to encourage students to upgrade their skills. More than 48 schools and 135 students participated in this competition which culminated in a grand prize distribution ceremony where 6 trophies were given out.

The ever enthusiastic team at Kudal came up with another program which would benefit those schools and students where a computer lab was not set up. The Foundation started a Laptop training program to teach these students and have successfully trained more than 192 students.

Last year Global Foundation and Star Swarojgar Prashikshan Sanstha tied up to conduct Hardware and Networking courses for BPL students. The program was sponsored by Bank of India and supported by DRDA, Sindhudurg. Global Foundation was able to conduct 4 such courses lasting for a month which benefited 109 students.

Project Knowledge on Wheels (KNOW) Mobile Computer Lab:

Global Foundation under project 'KNOW', reaches out to the rural students through its mobile computer lab along with a qualified instructor. This unique mobile computer lab traverses through rural areas to promote IT literacy, more than 43,200 students have been covered by this program. At present the KNOW bus is traveling through the remote hilly areas of Pathanamthitta, Kerala and training the adivasi children, village youngsters and housewives to become computer literate. The tremendous response from that area has also been seen and appreciated by educationists with a request to launch another bus.

Project VKC (Village Knowledge Center): IT Education for Women & livelihood skill training programs.

VKC has benefited housewives, generated employment and improved the standard of living of rural women. It's also a center for learning and awareness in rural areas.

The women trained at the VKC participated at major exhibitions like Sindhu Saras Melava to display their work which was appreciated by DRDA officials and also many eminent people who visited their stalls.

Women trained at the Global Foundation run VKC have started to earn a decent amount without having to leave their house for a longer duration and this has added to their self esteem in a huge way.

Project Gyanjyot:

Financial Support Program: The Foundation had started this Educational Financial Support scheme in order to support children from economically backward families. The objective of the scheme is to provide financial assistance to meritorious students belonging to poor families so as to enable them to pursue and complete their education. Every year more than 750 students are supported financially under this program and the figure keeps increasing every year.

Health

Access to health care varies across countries, groups and individuals, is largely influenced by social and economic conditions as well as the health policies in place. Global Foundation felt the need to provide medical care in remote rural areas of Sindhudurg district, Maharashtra.

Project Medical Assistance:

It is a well–accepted fact that a patient who receives basic care from trained professionals and is transported to the nearest healthcare facility immediately in an emergency has the greatest chance of survival. Emergency financial assistance for treatment is an essential part of the overall healthcare provided by Global Foundation as it saves lives by providing immediate medical attention. Positrons play an integral part in raising emergency funds for such cases where the patient or the relative is unable to bear medical expenses on their own. 183 people have been supported by the Foundation for emergency medical assistance. Uptill now 56 blood donation camps have been organized by the Mumbai & Kudal team in which 5,650 people have donated blood.

Project Arogya:

Global Foundation has set up a mobile health van with a doctor to offer preventive medical support to people living in the interior parts of Sindhudurg district of Maharashtra. The medical van is fitted with modern medical instruments and has a qualified doctor on board; this van travels to the remote hilly regions and raises health awareness through free health checkup camps. Under project Arogya the Foundation has conducted 128 medical camps which have benefited 15,245 individuals.

Aged people with optical problems are also helped with cataract detection and further treatment options by the Foundation team.

Blood Donation camps have yielded good results with major blood banks appreciating the team efforts. Haemoglobin checkup camps have helped people identify and treat many potentially harmful diseases.

Community Service

Global Foundation launched Employee Volunteerism Program to give opportunities to group employees for community service. Our Volunteers are known as “Positrons” and are the primary stakeholders of the Foundation. Some of their accomplishments are:

- 100 volunteers participated in Mumbai & Delhi Marathon 2012
- More than 5650 volunteers till date have donated blood
- 850 Volunteerism Man–Hours were put in the educational development of AASARA children
- 1000 Volunteerism Man–Hours were put in soft skill development program for visually challenged students

Art of Giving (Payroll Giving Initiative):

Art of Giving is a voluntary pay roll giving initiative of Global Foundation through which Global Group employees provide financial contributions for the long–term sustainability of all the projects. More than 250 Global Group employees are regularly donating to the Foundation.

Education for Peace:

Global Foundation truly believes that in order to work towards building a safer and more peaceful world than the one we live in today, every individual should bring peace through education, secular culture, social justice, National Integration through education and finally Education for Peace as a lifestyle movement. With this thought in mind the Foundation started Education for Peace program to bring empathy and goodwill towards each individual and live harmoniously in the society.

The Education for Peace program has picked up momentum from last year with more than 38 training programs and 4 seminars conducted for teachers in Navi Mumbai, Sindhudurg district of Maharashtra and Chennai. Around 3,420 people have been impacted by the trainings and seminars and 16 Peace clubs have been formed in various schools under EFP Foundation’s initiatives.

Education for Peace Foundation in association with Global Foundation and Haybren Adventures organized a cycling event on October 2, 2012 on the occasion of Gandhi Jayanti to spread the message of Peace and Harmony. There were 50 registered cyclists who were divided into 5 groups of 10 cyclists in each group. The Foundation provided and facilitated the entire cycle rally which culminated at Thane with a prize distribution program.

The main purpose of Value Education is to change the attitudes and behaviour of students and build skill sets that will help them through life and establish a just and peaceful society. The Foundation held an Education for Peace Annual Seminar at Malvan on January 10 & 11, 2013 for Teachers & Students of select schools, who the Foundation believes have the potential to take this program forward.

Similar Programs like walkathons, rallies, granth dindi, drawing and elocution competitions are being organized by Peace Club members all over Sindhudurg District.

Global Foundation’s support to NGOs during the FY 2012–2013

- AASARA Children’s Home: Support to the Educational development/ counselling program for the children staying at AASARA, a shelter home in Navi Mumbai
- All India Chess Federation for Blind: For distribution of Talk 64 chess software, free of cost
- Amar Seva Sangh, Tamil Nadu: Sponsored computers for their computer lab
- Eye Bank Co–ordination and Research Center: Partner for Eye Donation Awareness campaign under project Drishti
- FICCI FLO: Support for building toilets for rural women
- Gyanamrut Shikshan Mandal: Support to the Non–formal school benefiting tribal children
- Stree Mukti Sanghatana: Support the livelihood training of 50 adolescent girls
- Think Foundation: Partnered for Blood Donation Camp

- Yuvak Prathishthan: Support for children's notebooks
- Vidya Vardhini Foundation: Support to NGO
- ICMH: Medical assistance to mentally retarded people
- Jeevan Aadhar Sansthan: Support the Old age home
- Helen Keller Institute for Deaf, Dumb & Blind: Support for infrastucture facilities for inmates

ENVIRONMENT EXCELLENCE

GTL Limited is an energy conscious, environment friendly business organisation. The Company has been taking various measures to achieve the target of continual sustainable development and has put in a comprehensive Environment Management System.

GTL being a service provider has limited impact in terms of environmental pollution.

Some of the Initiatives taken are described Below:

1) Statutory & Voluntary Compliances

Through the EMS framework GTL ensures that it complies with all the laws and provide for a work environment that is safe.

2) Consumption of Natural Resources

Considering the scarcity of natural resources, management programs have been identified for each of the resources i.e. Fuel, Energy, Water, Paper, under the Environment Management System.

Reduction of consumption of natural resources for customers and innovating new business offering under EMS:

As an offshoot from the EMS, GTL developed green energy based solutions for telecom towers under the Energy Management Solution. GTL's Energy Management Services help in reducing Electricity and Diesel consumption expenses of telecom sites. The Energy Management Solutions harness wind/solar/free cooling and other solutions that reduce the electricity and diesel requirements. These solutions coupled with energy audits and reduced power losses, help the telecom customers reduce their power consumption and carbon footprints.

3) Emissions, Effluents and Waste

GTL being a telecom service provider does not contribute significantly to the global e–waste scenario. Measures are taken to handle e–waste in a responsible manner by giving the e–waste to authorised e–waste recyclers. As a strategic approach only energy efficiency rated hardware is procured and used oil and batteries are given to the CPCB authorised recyclers.

4) Awareness and Education

GTL drives major continuous awareness programs across various levels or geographies of the organisation. Health, Safety and Environment awareness/trainings are carried out through various forums like instructor led trainings & Web based trainings, Display of posters, Induction trainings, ISO 14001 initiatives training and certifications, Environment week celebrations etc.

Corporate Governance Report

As the Company is listed at BSE Limited and National Stock Exchange of India Limited, in terms of Clause 49 of the Listing Agreement of the Stock Exchanges (Clause 49), the Compliance Report on Corporate Governance (in the prescribed format) is given as under:

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

GTL's Philosophy on the Code of Governance as adopted by its Board of Directors:

- Ensure that quantity, quality and frequency of financial and managerial information which is shared with the Board, fully places the Board members in control of the Company's affairs.
- Ensure that the Board exercises its fiduciary responsibilities towards stakeholders thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- The decision–making is transparent and documented through the minutes of the meetings of the Board / Committees thereof.
- Maximizing long term value of the stakeholders and the Company and to protect interest of minority shareholders.
- Ensure that core values of the Company are protected.
- Ensure that the Company positions itself from time to time to be at par with any other company of world class operating practices.

II. BOARD OF DIRECTORS:

- **Details of Directors**

NAME OF DIRECTOR	PD/ NPD *	ED/ NED/ ID/ND*	Attendance in Board Meetings		Attendance in last AGM	Other Companies as on 31/03/2013			
			Held	Attended		Board Directorship (including Chairmanship) **	Board Chairmanship **	Committee Membership (including Chairmanship) ***	Committee Chairmanship ***
Mr. Manoj Tirodkar	PD	ED	5	5	Present	2	1	2	0
Mr. Sadanand D. Patil	NPD	NED/ID	5#	4	Present	N.A.	N.A.	N.A.	N.A.
Prof. S.C. Sahasrabudhe	NPD	NED/ID	3##	2	Absent	N.A.	N.A.	N.A.	N.A.
Prof. S.B. Navathe	NPD	NED/ID	5	1 $	Absent	0	0	0	0
Mr. Charudatta Naik	NPD	ED	3###	3	Present	N.A.	N.A.	N.A.	N.A.
Mr. Vijay Vij	NPD	NED/ID	5	5	Present	2	0	2	0
Mr. Sukanta Kumar Roy	NPD	ED	5	4	Present	0	0	0	0
Mr. D. S. Gunasingh	NPD	NED/ID	5	5	Present	1	0	1	1
Mr. Navin J. Kripalani	NPD	NED/ID	5	5	Absent	0	0	0	0
Mr. Hemant Desai	NPD	NED/ID	5	5	Present	0	0	0	0
Mr. Ajay Sharma	NPD	NED/ID/ND	2^	2	N.A.	1	0	0	0
Mr. B. L. Salian	NPD	NED/ID/ND	1^^	1	N.A.	0	0	0	0

Note: There are no inter–se relationships between our Board members.

* *PD – Promoter Director; NPD – Non–Promoter Director; ED – Executive Director; NED – Non–Executive Director; ID – Independent Director, ND – Nominee Director.*

** *In Indian Public Limited Companies.*

*** *In Audit and Shareholders' / Investors' Grievance Committees of Indian Public Limited Companies.*

Mr. Sadanand D. Patil Ceased to be a Director w.e.f. March 28, 2013.

Prof. S.C. Sahasrabudhe retired as a Director at the 24th Annual General Meeting held on September 12, 2012.

Mr. Charudatta Naik retired as a Director at the 24th Annual General Meeting held on September 12, 2012.

$ *Prof. S.B. Navathe was granted leave of absence for the Board Meetings not attended by him on account of his occupation in USA.*

^ *Appointed by IDBI Bank as its Nominee Director w.e.f. October 8, 2012.*

^^ *Appointed by Bank of India as its Nominee Director w.e.f. February 5, 2013.*

- **Details of Board Meetings held during the year:**

Date of Board Meeting	22–May–12	03–Jul–12	31–Jul–12	30–Oct–12	05–Feb–13
Board Strength	10	10	10	9	10
No. of Directors Present	9	8	9	8	8

III. AUDIT COMMITTEE:

➢ **Powers of Audit Committee**

i. To investigate any activity within its terms of reference.

ii. To seek information from any Employee.

iii. To obtain outside legal or other professional advice.

iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

➢ **Terms of reference / Role:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re–appointment and, if required, the replacement or removal of the Statutory Auditors including Cost Auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors including Cost Auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
   i) Matters required to be included in the Directors' Responsibility Statement to be included in the Boards' report in terms of sub–section (2AA) of Section 217 of the Companies Act, 1956.
   ii) Changes, if any, in accounting policies and practices and reasons for the same.
   iii) Major accounting entries involving estimates based on the exercise of judgment by management.
   iv) Significant adjustments made in the financial statements arising out of audit findings.
   v) Compliance with listing and other legal requirements relating to financial statements.
   vi) Disclosure of any related party transactions.
   vii) Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

5A. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing with the management, performance of Statutory Auditors including Cost Auditors and Internal Auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with Internal Auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors including Cost Auditors before the audit commences, about the nature and scope of audit as well as post–audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non– payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism, in case the same exists.

12A. Approval of appointment of CFO (i.e. the whole–time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background etc., of the candidate.

13. Carrying out any other function as may be specifically referred to the Committee by the Board of Directors and / or other Committees of the Company.
14. To review periodically the report of executive management about controlling risk through means of a properly defined framework.
15. To review the financial statements, in particular, the investments made by the unlisted subsidiaries of the Company.
16. To review the following information:
   i) Management discussion and analysis of financial condition and results of operations;
   ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
   iii) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
   iv) Internal audit reports relating to internal control weaknesses; and
   v) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

➢ **Composition of Audit Committee and Attendance of Members:**

Name of Director and position	Meetings/Attendance			
	22–May–12	31–Jul–12	30–Oct–12	05–Feb–13
Mr. Vijay Vij, Chairman	P	P	P	P
Mr. D. S. Gunasingh, Member	P	P	P	P
Mr. Navin J. Kripalani, Member	P	P	P	P

P–Present, A–Absent

IV. NOMINATION & REMUNERATION COMMITTEE (NRC):

Brief description of terms of reference:

- Frame the Company's policies on Board and Directors with the approval of the Board;
- Make recommendations to the Board in respect of appointment / re–appointment of Directors;
- Recommend the compensation payable to the Executive Directors;
- Approve promotions/salary revision of Members of Operating Council;
- Review of HR Policies/Initiatives and Senior Level Appointments;
- Administer and supervise Employees Stock Option Scheme(s) including allotment of shares arising out of conversion of Employee Stock Option Scheme(s) or under any other employee compensation scheme;
- Frame suitable Policies and Systems for implementation, take appropriate decisions and monitor implementation of the following Regulations:
  a) SEBI (Prohibition of Insider Trading) Regulations, 1992; and
  b) SEBI (Prohibition of Fraudulent and Unfair Trade practices relating to The Securities Market) Regulations, 1995.
- Perform such other functions consistent with regulatory requirements.

Composition of NRC and Attendance of Members:

Name of Director and Position	Meetings/Attendance					
	22–May–12	03–Jul–12	31–Jul–12	28–Sep–12	30–Oct–12	05–Feb–13
Mr. Sadanand D. Patil, Chairman*	P	A	P	P	P	P
Mr. Vijay Vij, Chairman**	P	P	P	P	P	P
Mr. D. S. Gunasingh, Member	P	P	P	A	P	P
Mr. Navin Kripalani, Member#	NA	NA	NA	NA	NA	NA

P–Present, A–Absent

** Resigned as a Director and Chairman of NRC w.e.f. March 28, 2013.*

*** Appointed as a Chairman of NRC w.e.f. April 1, 2013.*

 # Appointed as member of NRC w.e.f. April 1, 2013.

➢ **Remuneration Policy:** The Policy Dossier approved by the Board at its meeting held on April 22, 2009 contains compensation policy (criteria on making payments) for Directors, which has been posted on the website of the Company, *inter–alia*, provides for the following:

➢ **Executive Directors:**

- Salary and commission not to exceed limits prescribed under the Companies Act, 1956.
- Remunerate from time to time depending upon the performance of the Company, Individual Directors performance and prevailing Industry norms.
- No sitting fees.
- No ESOPs for Promoter Directors.

➢ **Non–Executive Directors**

- Eligible for commission based on time, efforts and output given by them.
- Sitting fees and commission not to exceed limits prescribed under the Companies Act, 1956.
- Eligible for ESOPs (other than Promoter Directors).

➢ **Details of remuneration to all the Directors during the year ended March 31, 2013.**

Name of Director	Salary (₹)	PF / Pension Fund (₹)	Perquisites (₹)	Commission (₹)	Performance linked bonus (along with Criteria) (₹)	Sitting fees (₹)	Total (₹)	Service Contract/ Notice period/ Severance fees/ Pension
Mr. Manoj Tirodkar	12	–	–	@	@	NA	12	*
Mr. Sadanand D. Patil	–	–	–	@	–	140,000	140,000	#
Prof. S.C. Sahasrabudhe	–	–	–	@	–	20,000	20,000	##
Prof. S.B. Navathe	–	–	–	@	–	10,000	10,000	Retirement by Rotation
Mr. Charudatta Naik	1,080,000	129,600	2,952,838	–	@	NA	4,162,438	###
Mr. Vijay Vij	–	–	–	@	–	195,000	195,000	Retirement by Rotation
Mr. Sukanta Kumar Roy	2,256,000	270,720	6,002,085	–	@	NA	8,528,805	Retirement by Rotation**
Mr. D. S. Gunasingh	–	–	–	–	@	120,000	120,000	Retirement by Rotation
Mr. Navin Kripalani	–	–	–	–	@	75,000	75,000	Retirement by Rotation
Mr. Hemant Desai	–	–	–	–	@	50,000	50,000	Retirement by Rotation
Mr. Ajay Sharma	–	–	–	N.A.	N.A.	@@ 20,000	20,000	^
Mr. B. L. Salian	–	–	–	N.A.	N.A.	@@ 10,000	10,000	^^

#	*Ceased to be the Director w.e.f. March 28, 2013.*
##	*Retired as a Director at the 24th Annual General Meeting held on September 12, 2012.*
###	*Retired as a Director at the 24th Annual General Meeting held on September 12, 2012.*
*	*2 years w.e.f. August 18, 2011 / notice period 3 months or 3 months salary in lieu of the notice / Nil / Nil.*
**	*3 years w.e.f. July 27, 2010 / notice period 3 months or 3 months salary in lieu thereof / Nil / Nil.*
@	in view of the ongoing restructuring of debt by the Company through Corporate Debt Restructuring mechanism and the loss incurred during the period under consideration, the Board of Directors decided non–payment of any Commission / Performance Linked Bonus to Managerial Personnel and Non–Executive Directors.
^	Appointed by IDBI Bank as its Nominee Director w.e.f. October 8, 2012.
^^	Appointed by Bank of India as its Nominee Director w.e.f. February 5, 2013.
@@	Sitting fees payable to Nominee Directors are paid directly to the banks they represent.

Notes:

1. Mr. Sadanand D. Patil, Prof. S. C. Sahasrabudhe, Mr. Charudatta Naik and Mr. Sukanta Kumar Roy, Directors of the Company in their respective tenures were allotted ESOPs from time to time. These Directors have converted their ESOPs into Equity Shares as detailed in earlier Annual Reports. Since the Company has closed all ESOP Schemes, resultantly all unvested warrants in the hand of these Directors were cancelled.

2. The Company has taken on lease basis immovable property from Mr. Sadanand D. Patil and has paid ₹ 7.72 Lakhs towards rent (including service tax).

3. Mr. Sadanand D. Patil, Prof. S. C. Sahasrabudhe, Mr. Charudatta Naik, Mr. Sukanta Kumar Roy and Mr. D. S. Gunasingh held 114307, 18000, 1000, 594 and 100 equity shares respectively in the Company as on March 31, 2013.

4. Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Directors.

V. SHAREHOLDERS'/INVESTORS' GRIEVANCE AND SHARE TRANSFER COMMITTEE:

➢ **Composition of Committee**

Name of Director	Position
Mr. Sadanand D. Patil*	Chairman
Mr. Manoj G. Tirodkar	Member
Mr. Vijay Vij	Member
Mr. D.S. Gunasingh#	Chairman

* *Resigned as a Director and Chairman of the Shareholders / Investors' Grievance and Share Transfer Committee w.e.f. March 28, 2013.*

\# *Appointed as Chairman of the Shareholders / Investors Grievance and Share Transfer Committee w.e.f. April 1, 2013.*

➢ Name of Non–Executive Director heading the Committee: Mr. Sadanand D. Patil till March 28, 2013, Mr. D.S. Gunasingh from April 1, 2013.

➢ Name and Designation of compliance officer: Mr. Vidyadhar A. Apte, Company Secretary.

➢ Number of shareholders complaints received during 2012–13: 9

➢ Number not solved to the satisfaction of shareholders: NIL

➢ Number of pending complaints: NIL

VI. DETAILS OF GENERAL MEETINGS:

➢ **Location and time of the Company's last three Annual General Meetings with details of special resolutions passed:**

	2009–2010	2010–2011	2011–2012
Date	July 21, 2010	October 19, 2011	September 12, 2012
Time	10.30 A.M.	10.30 A.M.	10.30 A.M.
Venue	Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai, 400 703	Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai, 400 703	Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai, 400 703
Details of Special Resolutions passed	a. Alteration in Exercise period in respect of the Company's ESOP Schemes as detailed in the resolution.	NIL	a. Appointment of M/s. Godbole Bhave & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants, as Joint Auditors of the Company. b. Alteration of Articles of Association for Increase in Authorised Share Capital. c. Issue of Non Participating Optionally Convertible Cumulative Preference Shares.

➢ **Whether Special Resolutions were put through postal ballot last year, details of voting pattern:**

No Special Resolutions were put through postal ballot last year, as the situation did not arise.

➢ **Person who conducted the postal ballot exercise:**

Not applicable.

➢ **Whether special resolutions are proposed to be conducted through postal ballot:**

No special resolution is proposed to be conducted through postal ballot.

➢ **The Procedure for postal ballot:**

Shall be conducted as per the provisions of the Companies Act, 1956 as and when situations arise.

➢ **Details of Extra–Ordinary General Meetings held in last three years:**

Sr. No.	Date	Time	Venue	Purpose
1.	February 22, 2011 (Date of announcement of result of Postal Ballot)	11.00 a.m.	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 038.	a. Alteration/amendment of Object Clause of Memorandum of Association of the Company by inserting new sub–clause 1(d) under Clause III A for enabling the Company to undertake business / projects in Power Sector. b. Commencing the business as detailed in paragraph 103 under the Other Objects of the Company. c. Power to the Board to contribute from time to time to "GTL Foundation" and/or "GTL Employee Welfare Trust" or such other Trust being set up for welfare of employees of the Company and/ or for charitable and/or other purposes in discharge of its Corporate Social Responsibility.
2.	March 22, 2012 (Date of announcement of result of Postal Ballot)	11.00 a.m.	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 038.	a. Alteration of Clause V of the Memorandum of Association of the Company pertaining to Authorised Share Capital. b. Alteration of Article 3 of the Articles of Association of the Company pertaining to Capital Clause. c. Authorizing Restructuring of Debts. d. Issue of Compulsorily Convertible Debentures on a Preferential Basis. e. Grant of options to CDR lenders for converting loans into Equity Shares. f. Increasing the borrowing limit. g. Delegation of authority to the Board for creation of charge / mortgage.
3.	FY 2012–13	NA	NA	NA

VII. DISCLOSURES:

➢ Disclosure on materially significant related party transactions of the Company, that may have potential conflict with the interests of the Company at large:

The necessary disclosures regarding the transactions with Related Parties are given in the notes to the Accounts. None of these transactions have potential conflict with the interest of the Company at large.

➢ Details of non–compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets during the last three years:

There was no such instance in the last three years.

➢ Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:

The Company has formulated Ethical Practices Policy in line with the Whistle Blower Policy which is a channel for receiving and redressing employees' complaints. The details are provided in the section titled compliance with non–mandatory requirements of this report. No personnel of the Company were denied access to the Audit Committee.

➢ Details of Compliance with mandatory requirements and adoption of the non–mandatory requirements:

Pursuant to sub–clause VII (2) of Clause 49 of the Listing Agreement, the Company confirms that it has complied with all mandatory requirements prescribed in Clause 49 of the Listing Agreement for the financial year 2012–13. The Company has obtained a certificate from Joint Auditors Certifying its compliance with the provisions of Clause 49 of the Listing Agreement. This certificate is annexed to the Directors' Report for the FY 2012–13.

Pursuant to sub–clause V of Clause 49 of the Listing Agreement, the Chairman & Managing Director (CEO) and the Senior VP–Finance (CFO) have issued a certificate to the Board, for the year ended March 31, 2013.

➢ **Non Mandatory requirements**

- **The Board –**

  Has an Executive Chairman and his office with required facilities is provided and maintained by the Company.

  No policy has been fixed on tenure of Independent Directors.

- **Remuneration Committee –**

  The Company has constituted a Nomination and Remuneration Committee; full details are furnished under Item No. IV of Corporate Governance Report.

- **Shareholders Rights –**

  Financial Results for the half year / quarter ended September 30, 2012 were published in the Free Press Journal and Navshakti newspapers and were also displayed on the Company's website www.gtllimited.com and disseminated to the Stock Exchanges (i.e. BSE & NSE) wherein its equity shares are listed, hence separately not circulated to the shareholders.

- **Training of Board Members –**

  All new Directors inducted into the Board are provided with Policy Dossier containing policies and procedures followed by the Company. Detailed presentation is made to the members of the Board/Committees by Executive Directors and Senior Management Personnel providing insight of business strategy, business model, clientele, business prospects, nature of transaction etc. This provides a good opportunity for the Directors to understand the Company's Business Model and strategy.

- **Mechanism for evaluating Non–Executive Board Members –**

  Broad guidelines are given in the Policy Dossier on functioning of the Board of Directors.

- **Whistle Blower Policy –**

  The Company has formulated Ethical Practices Policy in line with the Whistle Blower Policy and any employee, if he / she so desires, has free access to communicate committee members any matter of concern.

VIII. MEANS OF COMMUNICATION:

➢ **Quarterly Results**

The quarterly, half–yearly and yearly financial results of the Company are sent to the Stock Exchanges where shares of the Company are listed, immediately after these are approved by the Board.

➢ **Publication of Quarterly Results**

The Quarterly Results along with Notes were published in the Newspapers as under:

Newspapers	Date of publication of results for the Quarter ended			
	31–Mar–12	30–Jun–12	30–Sep–12	31–Dec–12
Free Press Journal	23–May–12	01–Aug–12	31–Oct–12	06–Feb–13
Navshakti	23–May–12	01–Aug–12	31–Oct–12	06–Feb–13

➢ **Website where displayed**

http://www.gtllimited.com

➢ **Whether it also displays official news releases**

- Press Releases made by the Company from time to time are also displayed on the Company's website.
- A Management Discussion and Analysis Report is a part of the Company's Annual Report.

IX. GENERAL SHAREOWNER INFORMATION:

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40300MH1987PLC045657.

1.	**Date, time and venue of the 25th Annual General Meeting**	Tuesday, September 17, 2013, 10:30 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400 703.	
2.	**Financial Calendar for FY 2013–2014**	**Quarter Ended**	**To be Published**
		First Quarter Results (Quarter ended 30–June–13)	On or before August 14, 2013
		Second Quarter Results (Quarter ending 30–Sept–13)	On or before November 14, 2013
		Third Quarter Results (Quarter ending 31–Dec–13)	On or before February 14, 2014
		Fourth Quarter Results (Quarter ending 31–Mar–14)	On or before May 30, 2014
3.	**Date of book closure**	Tuesday, September 17, 2013.	
4.	**Dividend Payment**	The Board has not recommended any dividend for FY 2012–13.	
5.	**Listing on Stock Exchanges**	BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). Listing Fees for 2013–14: Paid to both the Stock Exchanges.	

6. **Stock Exchange Codes (Equity):**

Stock Exchange / News Agency	Stock Code
BSE	500160
NSE	GTL
Reuters Code	GTL.BO & GTL.NS
Bloomberg ticker	GTS:IN
Equity ISIN	INE043A01012

Non–Convertible Debentures (Listing on BSE only)

Series	ISIN	BSE Code
Series I	INE043A08017	946494
Series II	INE043A08025	946495
Series III	INE043A08033	946496
Series IV	INE043A08041	946521
Series V	INE043A08058	946522
Series VI	INE043A08066	946523

7. **Stock Market Price Data:**

Monthly high and low of closing quotations and volume of shares traded on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) are given below:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr–2012	44.40	36.25	5,769,275	44.30	36.25	9,373,129
May–2012	36.55	32.20	5,208,991	36.65	32.25	9,946,791
Jun–2012	34.05	30.85	4,609,504	34.05	30.95	7,798,326
Jul–2012	38.20	31.10	9,664,566	38.10	31.15	16,784,158
Aug–2012	32.45	24.80	4,791,786	32.40	24.75	8,369,950
Sep–2012	31.50	24.00	7,113,894	31.40	24.05	13,324,054
Oct–2012	33.65	28.15	10,142,127	33.50	28.10	17,199,423
Nov–2012	29.80	26.90	4,606,783	29.85	26.95	8,033,805
Dec–2012	32.10	27.35	5,775,310	32.05	27.35	11,262,687
Jan–2013	28.65	23.55	3,481,297	28.65	23.65	5,815,366
Feb–2013	25.00	19.85	3,248,899	25.10	19.80	6,017,045
Mar–2013	20.30	14.95	2,480,513	20.40	14.85	4,662,396

8. **GTL's share performance in comparison to broad–based indices** (BSE–Sensex; NSE–Nifty)**:**

9. **Registrar and Share Transfer Agent:**

The In–house Investor Service Centre (ISC) of the Company provides share registration and all the other related services to its shareholders. The ISC has also established connectivity with both the Depositories in India, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISC is situated at the Registered Office of the Company.

The ISC is registered with the Securities and Exchange Board of India (SEBI) as a Category II Share Transfer Agent (STA) under Registration Code INR000003951 and the certification which was valid up to July 15, 2013 has been renewed with Permanent Registration vide SEBI's letter dated August 2, 2013.

The "Company Secretariat, Corporate Governance & Investor Services Centre" is accredited with ISO 9001:2008, certification.

10. Share transfer system:

As majority of shares of the Company are held in electronic (demat) form, requests for transfer of shares in physical form are negligible. Share transfers are processed and the share certificates duly endorsed are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfers/ transmission etc. of the Company's securities to the Shareholders/ Investors Grievance and Share Transfer Committee of the Company, which meets regularly to approve the share transfers and other related work. A summary of transfer / transmission etc. of securities of the Company so approved by the said committee is placed quarterly at the Board Meetings. The Company obtains from a Company Secretary in Whole–time Practice half–yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

The total number of physical shares transferred during the year under review were 2,333 (Previous year 2,228).

11. Distribution of shareholding as on March 31, 2013:

A. Distribution of shares according to size of holding

No. of Shares	No. of Shareholders	% of Shareholders	Share amount (₹)	% to Total
Upto 500	85,058	87.82%	105,593,110	6.73%
501 – 1000	6,052	6.25%	48,675,950	3.10%
1001 – 2000	2,927	3.02%	44,589,050	2.84%
2001 – 3000	995	1.03%	25,506,110	1.62%
3001 – 4000	471	0.49%	16,958,950	1.08%
4001 – 5000	342	0.35%	16,141,280	1.03%
5001 – 10000	535	0.55%	39,041,890	2.49%
10001 & ABOVE	475	0.49%	1,273,070,590	81.11%
TOTAL	**96,855**	**100.00%**	**1,569,576,930**	**100.00%**

B. Distribution of shares by categories of shareholders

Category	No. of Shares Held	Voting Strength
Promoter & Promoter Group	69,579,994	44.33%
Bodies Corporate (Domestic) / Trusts / Clearing Members	11,768,111	7.50%
Banks	39,882,963	25.41%
Mutual Funds	1,332	0.00%
Financial Institutions (FIs)	1,307,259	0.83%
Foreign Institutional Investors (FIIs)	360,492	0.23%
Non–Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign Nationals	906,673	0.58%
Resident Individuals	33,150,869	21.12%
TOTAL	**156,957,693**	**100.00%**

C. Top 10 shareholders

Name(s) of Shareholders	Category	Shares	%
Global Holding Corporation Private Limited (Promoter)	Domestic Company	50,980,559	32.48%
Manoj Gajanan Tirodkar (Promoter)	Director	18,599,435	11.85%
Bank of India	Bank	5,760,424	3.67%
Andhra Bank	Bank	4,787,185	3.05%
Punjab National Bank	Bank	4,045,570	2.58%
IDBI Bank Limited	Bank	3,317,412	2.11%
Canara Bank	Bank	3,296,275	2.10%
Union Bank of India	Bank	2,769,496	1.76%
Dena Bank	Bank	2,741,555	1.75%
Vijaya Bank	Bank	2,654,910	1.69%

12. Dematerialisation of shares and liquidity:

Trading in equity shares of the Company on the Stock Exchanges is permitted only in dematerialised form as per notification issued by SEBI. The shares of the Company are available for trading under both the Depository Systems in India – NSDL & CDSL. 99.80% of the Company's shares are held in dematerialised form as on March 31, 2013 (99.70% as on March 31, 2012).

The Company's equity shares are among the actively traded shares on the BSE and NSE. Relevant data for the average daily traded volumes is provided in the Directors' Report under Capital Market Developments.

13. Outstanding Warrants or any Convertible instruments, conversion date and likely impact on equity:

The details are furnished in the Directors' Report.

14. Plant Locations:

List of Branch Offices and addresses provided elsewhere in this Annual Report.

15. Registered Office & Investor Service Centre (ISC):
GTL Limited
"Global Vision"
Electronic Sadan–II, MIDC,
TTC Industrial Area, Mahape,
Navi Mumbai – 400 710, Maharashtra, India.

16. Investor Correspondence:

All shareholders complaints/queries in respect of their shareholding may be addressed to the ISC at the Company's Registered Office.
Contact Persons:
Mr. Jayendra Pai, Associate Vice President – Investor Services or
Mr. Divesh R. Sawant, Manager – Investor Services
Tel.: +91 22 2761 2929
Extn. Nos. 2232–2235 **FAX:** +91 22 2768 0171
Website: www.gtllimited.com
E–mail for Investor Grievance/s: gtlshares@gtllimited.com

Queries relating to financial statements, the Company's performance etc. may be addressed to:
Mr. Rahul Desai – Head Investor Relations & Capital Markets
GTL Limited,
412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 038, Maharashtra, India.
Tel: +91 22 2271 5000 (Extn: 347)
Fax: +91 22 2261 9649
E–mail: ir@gtllimited.com

17. Investor Services – complaints, queries and correspondence:

Particulars	Op. Bal. April 1, 2012	Received	Resolved	Cl. Bal. March 31, 2013
Complaints	Nil	9	9	Nil
Other Correspondence	Nil	426	426	Nil
Total	Nil	435	435	Nil

18. Compliance Officer:

Mr. Vidyadhar A. Apte, Company Secretary, heading the Company Secretariat, Legal, Corporate Governance and Investor Service Centre of the Company, is the Compliance Officer under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and under Clause 47 of the Listing Agreement with Stock Exchanges.

19. Legal Proceedings:

There are no proceedings pending against the Company that in the opinion of the Company are material to affect adversely the profit or financial health of the Company.

As on March 31, 2013, there were 77 cases against the Company, pending in various Courts and other Dispute Redressal Forums.

In 10 out of 77 cases, the Company has been implicated as proforma defendant i.e. there is no monetary claim against the Company. In most of these cases dispute is concerning the matters like loss of share certificate, title claim/ownership/transfer of the shares etc. The Company's implication in these matters is with a view to protect the interest of the lawful owners of the shares. Upon the final orders passed by the Court(s) the Company shall have to release the shares, which are presently under 'stop transfer', in this regard to the rightful claimants. There is no direct liability or adverse impact on the business of the Company on account of the said 10 cases.

The balance 67 cases are handled by the Company's Advocates, who have the necessary expertise on the subject. It is found that in most of the cases the claims are frivolous and without any basis and therefore the Company is resisting and defending these claims.

The total contingent liability against the Company is ₹ 65,622,705/–, a majority of which are from the discountined TSP business of the Company.

20. Statutory Compliance:

During the year under review, to the best of our knowledge and belief the Company has complied with all applicable provisions, filed all returns/ forms and furnished all relevant particulars as required under the Companies Act, 1956 and allied Acts and Rules, the Securities and Exchange Board of India (SEBI) Regulations and the Listing Agreements with the Stock Exchanges. The Company has voluntarily obtained a certificate of compliance from Mr. Virendra G. Bhatt, a Company Secretary in the whole–time practice, certifying compliance of the provisions of various applicable regulations and the same is reproduced elsewhere in this annual report.

21. Unpaid / Unclaimed Dividends:

Pursuant to provisions of Section 205 A (5) of the Companies Act, 1956, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 205C of the Companies Act, 1956. After transfer of unpaid/unclaimed dividend amount to the IEPF, the amounts cannot be claimed by shareowners.

The Company has issued reminders to all such shareholders in respect of the Unclaimed / Unpaid Dividend for the F.Y. 2005–06 during February 2013 whose dividends remain unclaimed, as is customarily sent by the Company every year, before crediting the balance Unclaimed Dividend Amount to the IEPF. A statement showing the year/month(s) in which unpaid/ unclaimed dividend(s) are due for transfer to the IEPF is given below:

Dividend Particulars	Rate	Date of Declaration (AGM Date)	Date of Trf. to Unclaimed A/c	Due Date for Trf. to IEPF
FY 2005–2006	200.00%	September 27, 2006	October 31, 2006	October 30, 2013
FY 2006–2007	25.00%	June 20, 2007	July 26, 2007	July 25, 2014
FY 2007–2008	30.00%	June 13, 2008	July 18, 2008	July 17, 2015
FY 2008–2009	30.00%	July 10, 2009	August 14, 2009	August 13, 2016
FY 2009–2010	30.00%	July 21, 2010	August 26, 2010	August 25, 2017

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of September 12, 2012 (date of last AGM) on the website of the Company as also on the website of the Ministry of Corporate Affairs.

22. Equity Shares in the Suspense Account

The Company has no cases as are referred to in Clause 5 A (I) of the Listing Agreement with Stock Exchanges.

Members are requested to note that in compliance of Clause 5A (II) of the Listing Agreement with the Stock Exchanges, the Company has dematerialised all the unclaimed shares into "GTL Limited – Unclaimed Shares Demat Suspense Account" with one of the Depository Participants. The voting rights of those members shall remain frozen till the rightful owner claims the shares.

As stipulated under Clause 5A(II) of the Listing Agreement with the Stock Exchanges, the Company reports the following details of equity shares lying in the suspense account:

Details of the unclaimed shares as on March 31, 2013, are as under:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2012	931	103,157
(ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	5	680
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	5	680
(iv)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on March 31, 2013	926	102,477

23. Changes to Equity Share Capital during the year ended March 31, 2013:

Date	Particulars	Increase/(decrease) in Share Capital		Cumulative Share Capital (₹)
		No. of Shares	Amount (₹)	
April 1, 2012	Opening Share Capital	–	–	972,678,330
June 12, 2012	Preferential Allotment – CDR* Tranche 1	51,263,018	512,630,180	1,485,308,510
July 19, 2012	Preferential Allotment – CDR* Tranche 2	8,426,842	84,268,420	1,569,576,930
Share Capital as on March 31, 2013		–	–	1,569,576,930

* CDR – Corporate Debt Restructuring

24. Voting Rights:

All shares issued by the Company carry equal voting rights. Generally, matters of the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member – One Vote". If majority of shareholders raise their hands in favour of a particular resolution, it is taken as passed, unless a poll is demanded.

The Chairman may order to take a poll on his own motion. Any member or members present in person or proxy and holding shares in the Company, which confer a power to vote on the resolution, can also demand Poll in respect of any resolution. Any member or members holding shares not less than one–tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up can demand a poll. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands. The person or persons who made the demand may withdraw the demand for poll at any time.

No poll has been demanded in any annual general meeting of the Company, till date.

CERTIFICATE AND STATEMENTS

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR

Pursuant to the provisions of Clause 49 of the Listing Agreement, it is hereby declared that all the Board Members and Senior Management personnel of GTL Limited have affirmed compliance with the Code of Conduct for 'Directors and Senior Management' for the year ended March 31, 2013.

Date: May 8, 2013
Place: Mumbai

Manoj G. Tirodkar
Chairman & Managing Director

COMPANY SECRETARY'S RESPONSIBILITY STATEMENT

The Board of Directors,

GTL Limited

This is to confirm that:

A. The Company has:

   (a) Maintained all the Statutory Registers.

   (b) Filed all forms and returns and furnished all necessary particulars to the Registrar of Companies and / or other Authorities as required under the Companies Act, 1956.

   (c) Registered all the charges created in favour of financial institutions, banks and others with the Registrar of Companies.

   (d) Issued all Notices required to be given for Board Meetings and General Meetings within the time limit prescribed by law.

   (e) Conducted the Board Meetings and General Meetings as per the Companies Act, 1956.

   (f) Effected share transfers and dispatched certificates within the time limit prescribed by various authorities.

   (g) Not exceeded the borrowing powers.

   (h) Paid dividend, when declared, to the shareholders within the time limit prescribed and has also transferred the unclaimed dividends to the Central Government within the time limit from time to time.

B. No penalties or strictures have been imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to Capital Markets during the last three years.

C. The Company has also complied with the regulations prescribed by the Stock Exchanges, SEBI and other Statutory Authorities and also the statutory requirements under the Companies Act, 1956.

Place: Mumbai
Date: August 3, 2013

Vidyadhar A. Apte
Company Secretary

COMPANY SECRETARIAL COMPLIANCE CERTIFICATE

To,

The Board of Directors,

GTL Limited

I have examined the registers, records, books and papers of GTL Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013 (Period 01/04/2012 to 31/03/2013). In our opinion and to the best of our information and according to the examinations carried out by me and explanations furnished to me by the Company, I am of the opinion that in respect of the aforesaid financial year:

1. The Company is a listed Public Company.
2. All the requisite registers and other records required under the Act, and the Rules made there under have been maintained in electronic/physical mode in accordance with the requirements.
3. All the requisite forms, returns and documents required under the Act and Rules made there under have been filed with the Registrar and other authorities as per the requirements.
4. The Board of Directors duly met five times in respect of which meetings, proper notices through electronic mode were given and the proceedings were properly recorded, signed and maintained in loose leaf form which is binded periodically.
5. The Annual General Meeting for the financial year ended 31st March, 2012 was held on 12th September, 2012 after giving due notice to the members of the Company, and the resolutions passed there at were duly recorded in the Minutes Book maintained in loose leaf form and binded periodically.
6. The Board of Directors of the Company is duly constituted. During the period three directors have vacated office and two directors have been appointed as Nominee Directors. The appointment of directors has been made in accordance with the provisions of the Act.
7. The Company has delivered all the certificates on allotment of securities and on lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
8. During the period, the Company has allotted:
   (i) 59,689,860 Equity shares on conversion of Compulsorily Convertible Debentures in demat mode.
   (ii) 650,000,000 Non Participating Optionally Convertible Preference Shares in physical mode.
9. The Company has altered the provisions of Memorandum of Association and Articles of Association with respect to increase in authorised share capital of the Company. The Company has also passed other special resolutions for Issue of Non Participating Optionally Convertible Preference Shares on preferential basis and Re–appointment of Auditors until ensuing Annual General Meeting.
10. No dividend has been declared during the period. The requirement relating to transfer of unpaid dividends for financial year 2004–2005 to the Investor Education and Protection Fund has been complied with.
11. The Company has filed all the required documents with the Stock Exchanges as per the Listing Agreement.
12. The Company has constituted the Audit Committee required as per Section 292A of the Act.

Virendra G. Bhatt
Practising Company Secretary
ACS – 1157/CP–124

Place: Mumbai
Date: August 03, 2013

INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE–APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Prof. Shamkant B. Navathe, Director

Prof. Navathe was born on September 23, 1945. He has been a member of the Board since July 30, 2001.

He holds a Ph.D from the University of Michigan, USA and MS in Computer and Information Science from Ohio State University, Columbus and a BE in Electrical Communications Engineering from the Indian Institute of Science, Bangalore.

Currently a Professor at the College of Computing, Georgia Institute of Technology, Atlanta, he was earlier a Professor of Computer & Information Sciences at the University of Florida, Gainesville. He was also on the faculty at New York University's Graduate School of Business Administration. He has worked with IBM and Siemens in research divisions and has been a consultant to various companies, including Honeywell, Nixdorf, CCA, ADR, Digital, MCC, Harris, Equifax and Hewlett–Packard. He has co–authored the book 'Fundamentals of Database Systems' with R. Elmasri, (Edition 6, 2010) which is currently the leading database textbook worldwide. He also co–authored "Conceptual Database Design: An Entity–Relationship Approach" with Carlo Batini and Stefano Ceri in 1992. Dr. Navathe has over 150–referreed journal and conference publications. He is known for his research work on Database Modelling and Design, Data Conversion and Integration and Manufacturing and Bioinformatics applications.

He is a member of the Advisory Board of the International Institute of IT (I2IT), Pune and a Technical Advisor to Persistent Systems Limited, Pune.

He does not hold membership on any Board or Committees.

In GTL Limited, he does not hold membership in any of the Committees.

Prof. Navathe does not hold any equity shares of the Company.

Mr. Arun Prabhukhanolkar, Whole–time Director.

Born on May 21, 1981, Mr. Arun Prabhukhanolkar holds Diploma in Electrical Engineering, MSBTE and has an overall experience of over 12 years in Global Group of companies in various capacities including his stint with the Company since FY 2011–12 as Senior Vice President Business Development.

During his association with the Group, he has handled various assignments in mix domains like Telecom, Tower & Power with responsibility matrix spreading through Key Account Management, Business Development, Public Relations, etc. In addition to his current responsibility for the Business Development and Relationship Management in Power Business he is involved in managing key relationships with various authorities in Public and Private sector.

Mr. Prabhukhanolkar holds Directorship in Global Holding Corporation Private Limited.

In GTL Limited and other companies he is not a member in any company.

Mr. Prabhukhanolkar does not hold any equity shares of the Company.

Mr. Manoj G. Tirodkar, Chairman & Managing Director

Mr. Tirodkar was born on October 5, 1964.

Mr. Tirodkar is a first generation entrepreneur, founded GTL Limited in 1987, when he was only 23 years old. With his vision and leadership qualities, he has taken GTL to great heights. Starting from scratch, today GTL is having annual turnover (consolidated) in excess of ₹ 2,600 Cr. As Chairman & Managing Director of the Company he has provided singular leadership and motivation to over 6,478 employees and associates of the Company to excel in their respective roles and also positioned GTL as a dominant player in the Network Services space. Mr. Tirodkar is the winner of CII Young Entrepreneurs Trophy 2001. He also has the honour of becoming the first Indian to win the World Young Business Achiever Award for 2000. Earlier he had won the Indian Young Business Achiever Award. Business Barons Taylors Nelson Sofres mode had ranked him 13th & 12th Best CEO of India for the year 2000 & 2001. He also received the Telecom Man of the Year Award in 1996.

He holds directorship in GTL Infrastructure Limited, Chennai Network Infrastructure Limited, GTL International Limited and Global Trusteeship Company Pvt. Ltd. He is a member of Shareholders / Investor's Grievances Committee and Allotment & Transfer Committee of GTL Infrastructure Limited.

In GTL Limited he is a member of Shareholder's / Investors Grievance & Share Transfer Committee.

Mr. Tirodkar's shareholding in the Company is 18,599,435 Equity Shares.

Your Directors take pleasure in presenting their Twenty Fifth Annual Report together with the Audited Accounts for the year ended March 31, 2013.

1. FINANCIAL RESULTS

₹ in Crore

Particulars	FY 2012–13 (12 months)		FY 2011–12 (9 months)	
	Consolidated	**Standalone**	**Consolidated**	**Standalone**
Total Income	2,601.32	2,171.58	1,864.69	1,506.99
Profit before Depreciation, Interest and Financial Charges (Net) and Tax (PBDIT)	192.92	179.16	115.96	133.93
Profit before Depreciation and Tax (PBDT)	(373.86)	(361.76)	(335.97)	(296.89)
Less: Depreciation	177.65	157.24	101.71	88.57
Profit before Tax and extra–ordinary items	(551.51)	(519.09)	(437.68)	(385.46)
Less: Provision for Taxation (incl. Short Provision for Income Tax and Deferred Tax)	3.26	0.37	19.70	15.28
Profit after Tax (PAT) before Extra–ordinary and Prior Period items	(554.77)	(519.37)	(457.38)	(400.74)
Add/(Less): Extra–ordinary Item	NIL	NIL	NIL	NIL
Add: Minority Interest	0.13	(519.37)	(0.23)	N.A.
Add: Share Profits in Associates	0.30	N.A.	(1.46)	N.A.
Add: Excess Provision of Equity Dividend and Dividend Distribution Tax written back	NIL	NIL	20.41	11.35
Add: Balance brought forward from the last year	172.34	(149.09)	611.00	240.30
Profit available for Appropriation	(382.00)	(688.46)	172.34	(149.09)
Appropriations:				
Recommended Equity dividend	NIL	NIL	NIL	NIL
Dividend Distribution Tax	N.A.	N.A.	N.A.	N.A.
Amount transferred to:				
– General Reserve	NIL	NIL	NIL	NIL
– Debenture Redemption Reserve	NIL	NIL	NIL	NIL
Balance Carried Forward	(382.00)	(668.46)	172.34	(149.09)

2. RESULTS OF OPERATIONS AND BUSINESS OVERVIEW

Results of Operations

The financial highlights for the year are as follows:

On a consolidated basis:

- Revenue for the financial period under review was ₹ 2,601.32 Cr. as against ₹ 1,864.69 Cr. for the previous financial year.
- Order visibility as on March 31, 2013 stood at ₹ 2,650 Cr.
- GTL, a Global Group Enterprise is a diversified technology and Infrastructure services Company focused on Telecom and Power businesses.

Business Overview and Recent Developments at Macro and Micro Economic levels

In the year 2011, GTL shifted its focus from being only telecom centric company to a company that also focuses on the power sector.

The Indian telecom industry has shown marginal decrease in subscriber base in the last year. The mobile subscriber base in India has decreased to 861.66 Mn. at end of February 2013 as against 919.17 Mn. at the end of March 2012, registering a de–growth of 6.26%. The share of Urban subscribers that was giving higher average revenue per user has declined to 60.50% in February 2013 from 65.23% in March 2012 whereas share of Rural subscribers has increased to 39.50 % in February 2013 from 34.77% in the month of March 2012. With this, the overall Tele–density in India has fallen to 70.42 at the end of February 2013.

The Telecom Industry today is undergoing stress and has been dealing with several challenges on the financial, revenue and profitability fronts on one hand and Regulatory, Government and Judiciary on the other hand.

Some of the developments we believe that had negative impact on the Telecom and Power sectors are:

i. Cancellation of 2G licenses by SC upheld: Cancellation of 122 telecom licenses including that of Uninor, Videocon, Etisalat by the Supreme Court in February 2012 and the rejection of their final plea in January 2013 leading to a grinding halt of all 2G capital expenditure plans of these Operators.

ii. Slower 3G and BWA growth: Barely 3–4% of the 3G and BWA revenue/subscriber targets achieved for which ₹ 1.20 lakh crores has been spent by Operators towards license fees for 3G & BWA. Ongoing litigations over 3G roaming agreements has further dented the growth prospects of data service revenues.

iii. Failed Spectrum auctions: High reserve prices set for the November 20, 2012 auctions resulted into a poor response from Operators with no single operator bidding for a pan India license. More worse was the response for the March 2013 spectrum auctions with not even a single GSM operator participating in bidding leading to stagnation of tenancies on telecom towers.

iv. Worsening Performance of Telecom Operators: Falling subscribers and mounting operating losses with even leading operators like Bharti reporting consolidated losses over 12 consecutive quarters.

v. Freeze on fresh debt and equity: Anxiety and negative sentiments towards the sector due to financial stress, contentious tax claims and criminal investigations of Promoters and Banks related to previous spectrum allocations etc. resulted into complete freeze of fresh capital outlays towards the sector.

vi. Operators face huge penalties: On various counts almost every operator is facing some penalty from the regulator be it for spectrum, 3G roaming pacts, under reporting of revenues, non–compliance of KYC norms.

vii. Debt woes of DISCOMS: High indebtedness of the power generation and distribution companies has forced them to restructure their debts of ₹ 1.5 –1.7 lakh Cr.

viii. Fuel supply issues: Ongoing legal process in the alleged coal block allocation irregularities and non–honoring of fuel supply agreements continues to affect uninterrupted coal supply to power generation companies.

ix. Delay in power tariff hikes: Tariff hikes which are inevitable for financial sustainability and growth of the sector are delayed due to the regulatory and political interventions.

As a result, the telecom and power sectors are facing great difficulty in raising fresh capital from banks or investors. This has a direct impact on the telecom operators' ability to spend and has resulted into lower capital expenditure.

This on the other hand, has led to reduced opportunities for Network Services Companies in India. The factors that will drive growth for network services business in India are as follows:

i) Growth of Data Services in Indian Telecom Market: The increasing usage of smart phones, and the growth of Value Added Services and the resultant growth in the data usage would require further investments in augmenting the network;

ii) Focus on rural expansion: With mobile coverage expected to increase, especially in rural areas, the operators are expected to invest in rural region;

iii) Rollout of 3G and BWA services: The expansion of the 3G networks and rollout of BWA networks will also impact positively, leading to growth in network services;

iv) Quality of Service: As the coverage targets have been achieved by most of the operators, the focus has now shifted to the quality of service and differentiating the customer experience. This is expected to drive consulting revenue in term of benchmarking networks and optimization services.

Global uncertainties, especially in Europe have led to reduced spending by telecom operators and OEMs across the world. The operators are focusing on optimizing their existing networks and are spending minimum on rolling out new networks.

We believe that sectoral woes need favorable consideration not only from the point of view of affected Corporates and Lenders but also from the systemic impact it shall have on consumers/users in Telecom and Power sector.

It is general consensus among market participants and policy makers that given the current state of associated uncertainties in both the telecom and the power sector it may take atleast 2–3 years for these sectors to recover, stabilize and get into a growth mode again.

Investment in GTL Infrastructure Limited (GIL)

GTL is the promoter of GIL and has invested ₹ 291.23 Cr. in GIL's equity capital. GTL has also invested in Chennai Network Infrastructure Limited (CNIL), an associate of GIL, ₹ 1,637.48 Cr. in CNIL's equity capital. Thus, GTL's total investment in Tower business at cost is ₹ 1,928.71 Cr.

GTL has arrived at an agreement to resolve the dispute with IFCI. On successful completion of the pact with IFCI and resultant return of the pledged/ invoked 17.65 Cr. equity shares of the Company's investment in GIL, GTL's total investment in Tower business at cost will be ₹ 2,230.79 Cr.

3. CORPORATE DEBT RESTRUCTURING

Debt Restructuring

The Company has successfully implemented the Corporate Debt Restructuring plan for its Rupee Term Loan. The CDR Debt outstanding in the books as of March 31, 2013, is ₹ 2,310.88 Cr.

Currently, the Company is in negotiation with the ECB lenders and NCD holders for restructuring of US$ 150 Mn. and ₹ 1,400 Cr. loans respectively.

4. DIVIDEND:

Since your Company has posted losses and is currently under Corporate Debt Restructuring Mechanism, your Directors express their inability to recommend any dividend on the paid up Equity Share Capital of the Company for the financial year ended March 31, 2013.

5. SHARE CAPITAL, EMPLOYEE STOCK OPTION PLANS (ESOPs) AND COMPULSORILY CONVERTIBLE DEBENTURES (CCDs)

i. Share Capital:

a. Equity:

The movement of Equity Capital due to allotment of shares consequent upon conversion of ESOPs & CCDs is as under:

Particulars	**No. of Equity Shares**
Equity Capital as on April 1, 2012	97,267,833
Add: Allotment of Equity Shares on account of Conversion of ESOPs	NIL
Add: Allotment of Equity Shares on account of conversion of CCDs	59,689,860
Equity Capital as on March 31, 2013	**156,957,693**

b. Preference:

During the year under review, the Company has issued and allotted 65,00,00,000 Non Participating Optionally Convertible Cumulative Preference Shares of the face value of ₹ 10/– each aggregating ₹ 650 Cr. The Preference shareholder has option for conversion into equity shares at any time after six months but before eighteen months from the date of allotment viz. September 28, 2012, on the terms and conditions as detailed in Note No. 2.1.4. of Notes to Accounts. In view of the 'pricing formula' it is not possible for furnishing number of shares that may be issued on conversion and also the likely impact on equity.

ii. ESOPs:

During the year under review the Company closed all the outstanding ESOP Schemes and cancelled / lapsed 23,70,903 warrants in the hands of employees pending conversion along with 70,10,636 warrants in the kitty and hence the information required to be furnished in this report under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, is not furnished.

iii. CCDs:

Consequent upon allotment of CCDs worth ₹ 187.84 Cr. and ₹ 45.15 Cr. to CDR Lenders and the Promoter respectively on April 28, 2012 under the CDR Scheme and its conversion into equity shares on June 12, 2012 and further allotment of CCDs worth ₹ 38.30 Cr. to the Promoter on July 12, 2012 under the CDR Scheme and its conversion into equity shares on July 19, 2012, the Share Capital of the Company has gone up from ₹ 97.27 Cr. to ₹ 156.96 Cr.

6. CAPITAL MARKET DEVELOPMENTS

Trading Group

The Company's equity shares are listed with the BSE Limited (BSE) under the category 'Group B'. The Company's equity shares are listed with National Stock Exchange of India Limited (NSE) under the category 'S&P CNX 500'. The Rated Redeemable Unsecured Rupee Non–Convertible Debentures privately placed by the Company are listed with BSE under the Debt Segment.

Average daily traded volumes

The average daily traded volume in the Company's shares on BSE and NSE was 268,646 and 476,254 shares respectively, in the year ended March 31, 2013 as against 1,550,725 and 3,033,266 shares respectively in the previous financial year ended March 31, 2012 (9 months).

7. FIXED DEPOSITS

There are no unclaimed deposits lying with the Company and during the year under review, the Company has not accepted any fresh fixed deposits from Public or from its Shareholders.

8. SUBSIDIARIES

a) In terms of the general approval granted under Section 212(8) of the Companies Act, 1956 by the Ministry of Corporate Affairs, Government of India vide its General

Circular No. 2/2011 dated February 8, 2011 copies of the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies have not been attached with the Balance Sheet of the Company. Financial Information of the subsidiary companies, as required by the said general approval has been furnished separately in the Consolidated Balance Sheet in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and related detailed information to the Company's and the subsidiary companies shareholders, seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be kept open for inspection by any shareholder at the Registered/ Head Office of the Company and that of the respective subsidiary companies.

Further, pursuant to Accounting Standard 21 (AS 21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include information about its subsidiaries. The Company's revenue from its overseas subsidiaries for the year ended March 31, 2013, on a consolidated basis was ₹ 431.39 Cr. (US$ 79.43 Mn.).

b) GTL has given guarantees to its subsidiaries and affiliates in its normal course of business in India and abroad. The guarantees are normaly given:

- for performance of its Subsidiaries, Associates and affiliates for business obligations; and
- to enable its Subsidiaries & Associate companies to avail financial assistance.

9. CORPORATE GOVERNANCE

The Company is complying with Clause 49 of the Listing Agreement with the Stock Exchanges. A separate Corporate Governance Report on compliance on Clause 49 of the Listing Agreement with the Stock Exchanges as reviewed and certified by M/s. Godbole Bhave & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants the Joint Auditors of the Company is given in Annexure 'B' to this Report.

10. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis on the Company's performance, industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable is attached to this Report.

11. HUMAN RESOURCES

Our associate base stood at 6,478, as on March 31, 2013 as against 8,710 as on March 31, 2012. For full details refer to the Human Resources write up in the MD&A Report.

12. RISKS

A separate section on risks and their management is provided as a part of this Annual Report. It is important for shareholders and investors to be aware of the risks that are inherent in the Company's businesses. The major risks faced by your Company have been outlined in this section to allow shareholders and prospective investors to take an independent view. We strongly urge Shareowners/Investors to read and analyze these risks before investing in the Company.

13. SOCIAL COMMITMENTS

The Company continued, during the year under review, to contribute towards social causes as described in the MD&A Report under the caption 'Corporate Social Responsibility'.

14. DIRECTORS

Prof. Shamkant B. Navathe and Mr. Sukanta Kumar Roy, Directors retire by rotation at the forthcoming Annual General Meeting. Prof. Navathe Director being eligible offers himself for re–appointment.

Mr. Sukanta Kumar Roy – Whole–time Director is retiring as a Director in the ensuing Annual General Meeting and in view of his personal commitments has decided not to seek re–appointment.

Prof. S. C. Sahasrabudhe – Independent Director and Mr. Charudatta Naik – Whole–time Director retired as Directors of the Company at the 24th Annual General Meeting held on September 12, 2012. Since Mr. Sadanand D. Patil – Senior Director has been assigned executive responsibility in the Group Company; he relinquished the position as Director of the Company effective March 28, 2013.

The Board places on records its deep appreciation and respect for the valuable advice and guidance received from Prof. Sahasrabudhe, Mr. Naik and Mr. Patil during their tenure as Directors of the Company.

Mr. Ajay Sharma – General Manager IDBI Bank Limited and Mr. B. L. Salian – General Manager Bank of India were appointed as Nominees of IDBI Bank and Bank of India on the Board of the Company w.e.f. October 8, 2012 and February 5, 2013 respectively.

Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors in its meeting held on August 3, 2013 appointed Mr. Arun Prabhukhanolkar as an Additional Director and Whole–time Director of the Company. He holds office up to the date of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956, proposing his appointment as a Director liable to retire by rotation. Also, the Board has placed an appropriate resolution for appointment of Mr. Prabhukhanolkar as a Director and the Whole–time Director respectively for a period of 3 years effective August 1, 2013, for consideration of members.

Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on August 3, 2013 re–appointed Mr. Manoj G. Tirodkar as the Chairman & Managing Director of the Company. The Board has placed an appropriate resolution for re–appointment of Mr. Tirodkar as Chairman & Managing Director for a period of 5 years effective August 18, 2013, for consideration of members.

The background of the Directors proposed for appointment/ reappointment is given under the Corporate Governance section of the Annual Report.

15. PROMOTER GROUP

The Company is a part of Global Group of Companies which is promoted by Mr. Manoj. G. Tirodkar. The promoter group holding in the Company currently is 44.33% of the Company's Paid–up Equity Capital. The members may note that the Promoter Group, inter–alia comprises of the following persons/entities: (1) Mr. Manoj. G. Tirodkar (2) Global Holding Corporation Pvt. Ltd. (3) Global SmartPower Private Limited.

16. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

a) **Conservation of Energy:**

As the Company is engaged in Network Services and has no activity pertaining to manufacturing, furnishing of details on conservation of energy is not applicable. However, the Company is working towards incorporating energy management solutions while it carries out the deployment and maintenance of the cell sites. The Company has carried out energy audits to optimize energy consumption in its office premises. The Company continues to invest in research and development towards green energy for towers.

b) **Technology Absorption:**

The particulars as prescribed under sub–section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in respect of technology absorption are set out in the Annexure 'A' to this Report.

c) **Foreign Exchange Earnings and Outgo:**

During the year under review the Company earned foreign exchange of ₹ 1.56 Cr. and incurred foreign exchange expenditure of ₹ 33.36 Cr. the particulars of which are appearing in Note No. 2.28 of the Notes to the Accounts.

17. **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, names and other particulars of the employees are required to be set out in an annexure to this Report. However, in terms of the Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office. None of the employees listed in the said annexure are related to any Director of the Company.

18. **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956, we, the Directors of GTL Limited, in respect of the year ended March 31, 2013, state that:

i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the loss of the Company for that period;

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The Directors have prepared the annual accounts on a going concern basis.

19. **AUDITORS**

M/s. Godbole Bhave & Co., Chartered Accountants, Mumbai and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai, were appointed as Joint Auditors at the Twenty Fourth Annual General Meeting to hold office from conclusion of the said meeting till the conclusion of the next Annual General Meeting. The Company has received the necessary certificates from the Joint Auditors respectively pursuant to Section 224(1B) of the Companies Act, 1956 regarding their eligibility for re–appointment. Accordingly, approval of members to the appointment of M/s. Godbole Bhave & Co., Chartered Accountants, Mumbai and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai, as Joint Auditors of the Company is being sought at the ensuing Annual General Meeting.

20. **COST AUDITORS**

The Cost Audit Branch of Government of India, Ministry of Corporate Affairs (MCA), New Delhi, vide Cost Order No. 52/26/CAB/2010 dated May 2, 2011 have issued industry wise Orders for appointment of Cost Auditors from FY 2011–12 onwards for companies carrying Telecom & Electricity activity. Also, as per the provisions of The Companies (Cost Accounting Records) Rules, 2011, applicable to all other products / activities of the Company, the Board of Directors of the Company has appointed M/s. V. G. Phadke & Co., Cost Accountants, Mumbai, as the "Cost Auditor" and "Cost Accountant" under Section 233B and Section 209(1)(d) respectively, of the Companies Act, 1956 for the Financial year 2012–13.

The relevant cost audit reports of FY 2011–12 were filed with Ministry of Corporate Affairs on January 16, 2013.

21. **SPECIAL BUSINESS**

As regards the items of the Notice of the Annual General Meeting relating to Special Business, the Resolutions incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approval of members to those proposals. Members' attention is drawn to these items and Explanatory Statement annexed to the Notice.

22. **GENERAL**

Notes forming part of the Accounts are self–explanatory.

23. **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co–operation extended by the clients, employees, vendors, bankers, financial institutions, investors, media and both the Central and State Governments and their Agencies and look forward to their continued support.

On behalf of the Board of Directors,

Mumbai
August 3, 2013

Manoj G. Tirodkar
Chairman & Managing Director

Annexure 'A' to Directors' Report
FORM B
(See rule 2)

Form for disclosure of particulars with respect to absorption.
Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company :

Telecom

- Tower Monitoring methodology by connecting directly to OSS alarm feeds across leading OEMs like Ericsson, NSN; ZTE & Huwaie, for fault diagnostics and device monitoring in Telecom Tower sites through alarms and MIS reporting Solution.
- Testing of Vehicle Tracking System (VTS) across few circles as a Proof of concept (PoC).
- Enhancement of Centralized Network Operations Center (NOC) to fully support the active and passive Infrastructure of customers in terms of tracking Preventive mentainance, Alarms verifications, Vendor management and coordination.
- Develop a BCP/DR model.

Power

- Development of Advance Metering Infrastructure (AMI) System for remote meter data read over a secure communication network for our power distribution network at Aurangabad. It provides measurement of detailed, time–based information and frequent data acquisition and transmittal to the central server. This facilitates supply failure detection, leakage and tampers detection, demand forecasting, alarm and event management.
- R&D in deployment of Meter Data Management (MDM) System to validate, edit and estimate meter data, calculate billing determinants, aggregate consumption data, energy audit and accounting.
- Use of thermovision technology for identifying faults in an electrical network.

2. Benefits derived as a result of the above R&D:

Telecom

- Enhanced ability to handle field failures & improved on–field productivity has largely benefitted for efficient SLA management and network uptime.
- Faster turn around time for reports and delivering on demand MIS reporting.
- Can now track the vehicle in terms of location ,route and schedule to be followed.
- Systematic approach to track the schedule of PM which are due per equipments/site. Also the accuracy of alarms verification to help in operations along with vendor tracking of performance to b delivered as per contract.
- Expected to offer business continuity and disaster recovery in case of such emergency situations.

Power

- Generating billing determinants from AMI system, thus reducing operational costs, improving bill accuracy and reduces meter read to bill cycle.
- Early detection of meter tampering or error, theft prevention, faults, thereby preventing loss of revenue.
- Measurement and analysis of interval data like consumption, other parameter for load management.
- Monitoring power quality parameters to help improve network reliability, reduce outages and improve quality.
- Energy audit and accounting at different stages in the network to identify areas for loss reduction.

3. Future plan of action

Telecom

- Enhanced remote management solution for proactive monitoring, rectification and Energy Management of Telecom Infrastructure by using data mining and analytics solution through Unified NOC.
- Implement and roll out this Vehicle Tracking Solution (VTS) across all circles.
- To be rolled out and Implement across all circles.
- Implement a BCP/DR set up to take care of business continuity and disaster recovery.

Power

- Scaling up the metering infrastructure to cover all DTCs and Industrial consumers.
- Implementation of advanced VEE rules to identify revenue leakages.
- Development of various MIS and analysis reports to reduce technical and commercial losses and improving operational efficiency.
- Software tools for network analysis and simulation.

4. Expenditure on R&D

a.	Capital :	₹ 35.37 Cr.
b.	Recurring :	₹ 1.32 Cr.
c.	Total :	₹ 36.69 Cr.
d.	Total R&D Expenditure as a percentage of total turnover :	1.41 %

Technology absorption, adaptation and innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation.

Telecom

- Significant efforts and in–roads have been achieved by organisation in network planning services in new geographies with operators & OEMs.

Power

- Significant efforts have been taken by organization to create specifications and solution architecture based on industry standards.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. :

As mentioned in points 1, 2, 3 above overall cost reduction by >10–15% with improved SLAs and business analysis.

3 In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.

a. Technology imported :
b. Year of import:
c. Has technology been fully absorbed?:
d. If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action.

Not applicable

Mumbai
August 3, 2013

Manoj G. Tirodkar
Chairman & Managing Director

Annexure 'B' to Directors' Report

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of GTL Limited

We have examined the compliance of conditions of Corporate Governance by GTL Limited ("the Company"), for the year ended on March 31, 2013, as stipulated in Clause 49 of Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our 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 statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such 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.

For **GODBOLE BHAVE & Co.**
Chartered Accountants
FRN No. 114445W

A. S. Mahajan
Partner
Membership No.100483

For **YEOLEKAR & ASSOCIATES**
Chartered Accountants
FRN No. 102489W

S. S. Yeolekar
Partner
Membership No. 36398

Mumbai
August 3, 2013.

INDEPENDENT AUDITORS' REPORT

To
The Members of
GTL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GTL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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

Management is responsible for 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 (Indian GAAPs), including Accounting Standards referred to in sub–section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 auditor's 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

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

i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

ii. in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

iii. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matter

The Company has a Term Loan and Funded Interest Term Loan Liability of ₹ 20.64 Cr. towards Standard Chartered Bank, one of the bank participating in Corporate Debt Restructuring Scheme approved by CDR Empowered Group. The Company has accounted above liability as per the terms of CDR Scheme. However confirmation of above liability has not been received. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub–section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required under provisions of section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub–section (3C) of section 211 of the Companies Act, 1956;

   e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub–section (1) of section 274 of the Act.

For Godbole Bhave & Co. Chartered Accountants	For Yeolekar & Associates Chartered Accountants
A.S. MAHAJAN Partner Membership Number 100483 FRN NO. 114445W	S.S. YEOLEKAR Partner Membership Number 36398 FRN NO. 102489W

Place: Mumbai
Date: 8th May, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

(i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

As explained to us, the Company has physically verified certain assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company. No material discrepancies were noticed on such physical verification.

In our opinion, during the year, the Company has not disposed off substantial part of its fixed assets.

(ii) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

According to the information and explanations given to us and on the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted or taken loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clause (iii) of Paragraph 4 of the Companies (Auditors' Report) Order 2003 is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control procedures.

(v) Based on the information and explanation provided to us, during the year the Company has not entered into any contracts or arrangements, which were required to be entered in the register maintained u/s 301 of the Companies Act, 1956 and accordingly the provisions of clause 4(v) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(vi) According to the information and explanations given to us, during the year, the Company has not accepted any deposits from public within the meaning of provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.Therefore, the provisions of clause 4 (vi) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Government of India under section 209(1) (d) of the Act and are of the opinion that prima facie the prescribed records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) On the basis of examination of the relevant records and according to the information and explanations given to us, we are of the opinion that the Company, except for payment of Service Tax, General Sales Tax, Value added Tax and dues of labour welfare fund, is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State insurance, Income–tax, Wealth–tax, Custom duty, Excise–duty, Cess and other applicable statutory dues.

On the basis of examination of the relevant records and according to the information and explanation given to us, except for Service Tax of ₹ 1.21 Cr. and General Sales Tax of ₹ 2.20 Cr., no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Value Added Tax, Custom duty, Excise–duty and Cess were outstanding, as at 31st March 2013 for a period of more than six months from the date they became payable. Amounts due and outstanding for a period exceeding six months as at period end to be credited to Investor Education and Protection fund of ₹ 0.03 Cr., which are held in abeyance of pending legal cases, have not been considered.

On the basis of books of accounts and records of the Company as produced and examined by us, except for disputed Sales tax and Income tax dues as detailed below, there are no dues of custom duty, wealth–tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

Name of the Statute	Nature of Dues	Amount (₹ in Crores)	Year to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, Sales Tax Act & VAT of various States	Sales/Vat Tax Dues	6.50	1992–1993, 1995–1996, 2002–2003, 2005–2006, 2006–2007, 2007–2008, 2009–2010 & 2010–2011	1st Appellate Authority
		2.09	1995–1996, 1997–1998, 2004–2005, 2005–2006, 2007–2008, 2009–2010 & 2010–2011	2nd Appellate Authority
		0.50	2009–2010	Assessing Officer
Income Tax Act,1961	Income Tax	0.77	2004–2005	CIT Appeals

Out of the above disputed sales tax and Income tax dues, amount of ₹ 2.06 Cr. and ₹ 0.40 Cr. respectively has been paid by the Company under protest.

(x) The accumulated losses of the Company as at the end of the financial year are not in excess of 50% of it's net worth. The Company has incurred cash loss during the financial year covered by our audit and also in the immediately preceding financial year.

(xi) On the basis of our examination of the records of the Company and according to the information and explanations given to us, the Company has defaulted in repayment of External Commercial Borrowings of ₹ 815.70 Crore due for payment on August, 2011 and interest of ₹ 44.67 Crore due thereon for the period 12th December, 2011 to 19th March, 2013.

Further the Company has also defaulted in redemption of Rated Redeemable Unsecured Rupee Non–convertible Debentures of ₹ 470 Cr. due for redemption in February, 2013 and Interest of ₹ 250.90 Cr. due to holders of Rated Redeemable Unsecured Rupee Non–convertible Debentures for the period 2nd May, 2011 to 3rd February, 2013.

Interest of ₹ 0.25 Crore on Funded Interest Term Loan and of ₹ 0.08 Crore on Cash credit facility was due for payment on 31st March, 2013.Out of the above, interest of ₹ 0.15 Cr. in respect of Funded Interest Term Loan and entire interest in respect of Cash Credit facility has been paid by the Company subsequent to balance sheet date.

Except for above defaults, there are no defaults in payment of dues to banks as debts of the Company have been restructured under Corporate Debt Restructuring (CDR) scheme.

(xii) In our opinion and according to the explanations given to us and based on the information available, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ Mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures & other investments. The Company has maintained proper records of transactions and contracts in respect of investments in shares and Mutual funds and timely entries have been made therein. All the investment in shares and mutual funds have been held by the Company in its own name.

(xv) The Company has given corporate guarantees aggregating to ₹ 580.77 Cr. for loans taken by Subsidiary Companies, an associate Company and an affiliate Company from banks and financial institutions. It has been explained to us that these guarantees are given in the course of and for furtherance of business interest of the Company and accordingly the terms and conditions of these guarantees are not prejudicial to the interest of the Company. We are, however, unable to comment on the same.

(xvi) In our opinion and according to the information and explanations given to us, the Company has not raised new term loan during the year. Therefore, the provisions of clause 4 (xvi) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xvii) On an overall examination of the Balance sheet of the Company as at 31st March, 2013 and related information as made available to us and as represented to us, by the management, we are of the opinion that funds raised on short–term basis have not been used for long term purposes.

(xviii) The Company, during the year, has made a preferential allotment of 18,360,835 Equity shares of ₹ 10 each fully paid up aggregating to ₹ 18.36 Cr. on conversion of 0% Compulsorily Convertible Debentures (CCDs) to a party covered in the Register maintained under Section 301 of the Companies Act, 1956. According to the information & explanation given to us ,these shares are issued in terms of Corporate Debt Restructuring Scheme and in accordance with the Securities and Exchange Board of India (Issue Of Capital and Disclosure Requirements) Regulations, 2009 and accordingly, the prices at which these shares are issued are not prima facie prejudicial to the interest of the Company.

(xix) The Company had created security in respect of 18,784,046, 1% Compulsorily Convertible Debentures (CCDs) of Rs. 100 each aggregating to ₹ 187.84 Cr. issued to the lenders during the year. These CCDs got converted in to Equity Shares of the Company and no CCDs are outstanding as on March 31, 2013.

The 'Rated Redeemable Unsecured Rupee Non Convertible Debentures' issued by the Company in the earlier years on private placement basis are unsecured and therefore, no security is created in respect of these debentures.

(xx) The Company has not raised any money through public issue during the year and therefore, the provisions of clause 4(xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xxi) To the best of our knowledge and belief and on the basis of our examination of the records of the Company, no material fraud on or by the Company has been noticed or reported during the year, nor we have been informed of any such case by management.

For Godbole Bhave & Co.	For Yeolekar & Associates
Chartered Accountants	Chartered Accountants
A.S. MAHAJAN	S.S. YEOLEKAR
Partner	Partner
Membership Number 100483	Membership Number 36398
FRN NO. 114445W	FRN NO. 102489W

Place: Mumbai
Date: 8th May, 2013

Balance Sheet as at March 31, 2013

₹ in Crores

		Note	As at March 31, 2013	As at March 31, 2012
I.	**EQUITY AND LIABILITIES**			
	SHAREHOLDER'S FUNDS			
	Share Capital	2.1	**806.96**	97.27
	Reserves and Surplus	2.2	**489.69**	798.65
			1,296.65	895.92
	NON–CURRENT LIABILITIES			
	Long term borrowings	2.3	**2,900.60**	3,368.47
	Other Long term liabilities	2.4	**2.18**	2.47
	Long term provisions	2.5	**2.06**	3.73
			2,904.84	3,374.66
	CURRENT LIABILITIES			
	Short–term borrowings	2.6	**245.65**	245.57
	Trade payables (including Acceptances)	2.7	**324.53**	480.42
	Other current liabilities	2.8	**2,466.77**	2,469.79
	Short–term provisions	2.9	**2.59**	3.64
			3,039.54	3,199.42
	Total		**7,241.03**	7,470.00
II.	**ASSETS**			
	NON–CURRENT ASSETS			
	Fixed assets	2.10		
	Tangible assets		**446.59**	518.94
	Intangible assets		**23.64**	34.33
	Capital work–in–progress		**19.36**	88.11
			489.59	641.38
	Non–current investments	2.11	**2,639.75**	2,614.06
	Long term loans and advances	2.12	**1,796.81**	126.30
			4,436.56	2,740.36
	CURRENT ASSETS			
	Inventories	2.13	**298.39**	311.19
	Trade receivables	2.14	**804.56**	859.32
	Cash and Cash equivalents	2.15	**109.24**	84.25
	Short–term loans and advances	2.16	**577.94**	2,188.91
	Other current assets	2.17	**524.75**	644.59
			2,314.88	4,088.26
	Total		**7,241.03**	7,470.00
Significant Accounting Policies		1		
and Notes form an integral part of the financial Statements		2.1 to 2.41		

As per our report of even date

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

For M/s. Godbole Bhave & Co.
Chartered Accountants
FRN No. 114445W

A.S. Mahajan
Partner
Membership No.100483

For M/s. Yeolekar & Associates
Chartered Accountants
FRN No. 102489W

S.S. Yeolekar
Partner
Membership No. 36398

S. K. Roy
Whole–time Director & COO

Vijay Vij
Director

Milind Bapat
Sr. Vice President – Finance

Vidyadhar Apte
Company Secretary

Mumbai
May 08, 2013

Statement of Profit and Loss for the year ended March 31, 2013

₹ in Crores

	Note	April 12 to March 13 (12 months)	July 11 to March 12 (9 months)
Revenue from operations	2.18	**2,171.58**	1,506.99
Less: Excise Duty		**NIL**	NIL
		2,171.58	1,506.99
Other Income	2.19	**41.68**	49.94
Total Revenue		**2,213.26**	1,556.93
Expenses:			
Cost of Purchases/Services	2.20	**1,786.94**	1,184.61
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	2.21	**12.81**	21.88
Employee benefits expenses	2.22	**151.18**	132.55
Finance Costs	2.23	**540.92**	430.82
Depreciation and amortization expense	2.10	**157.24**	88.57
Other expenses	2.24	**83.17**	83.96
Total Expenses		**2,732.26**	1,942.39
Profit/(Loss) before exceptional and extraordinary items and tax		**(519.00)**	(385.46)
Exceptional Items		**NIL**	NIL
Profit/(Loss) before extraordinary items and tax		**(519.00)**	(385.46)
Extraordinary Items			
Compensation tw Sale/Invocation of Investments		**NIL**	50.46
Loss on Sale/Invocation of Investment		**NIL**	(50.46)
Profit/(Loss)		**(519.00)**	(385.46)
Tax expense:	2.25		
Current tax		**NIL**	NIL
Short Provision for Income Tax for earlier years		**0.37**	15.43
Deferred tax Liability/(Asset)		**NIL**	(0.14)
Profit/(Loss) from the year after Tax		**(519.37)**	(400.74)
Earnings per equity share:			
Equity shares of par Value ₹ 10/– each			
Before Extra–ordinary items			
Basic		**(35.93)**	(41.20)
Diluted		**(35.93)**	(41.20)
After Extra–ordinary items			
Basic		**(35.93)**	(41.20)
Diluted		**(35.93)**	(41.20)
Significant Accounting Policies	1		
and Notes form an integral part of the financial Statements	2.1 to 2.41		

As per report of even date

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

For M/s. Godbole Bhave & Co.
Chartered Accountants
FRN No. 114445W

A.S. Mahajan
Partner
Membership No.100483

For M/s. Yeolekar & Associates
Chartered Accountants
FRN No. 102489W

S.S. Yeolekar
Partner
Membership No. 36398

S. K. Roy
Whole–time Director & COO

Vijay Vij
Director

Milind Bapat
Sr. Vice President – Finance

Vidyadhar Apte
Company Secretary

Mumbai
May 08, 2013

Cash Flow Statement for the period ended March 31, 2013

₹ in Crores

Particulars		April 12 to March 13 (12 months)	July 11 to March 12 (9 months)
CASH FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax and extraordinary items:		**(519.00)**	(385.45)
Adjustment for:			
Depreciation		**157.24**	88.57
Interest and Dividend Income		**(2.54)**	(28.60)
Provision for doubtful Trade Receivables		**9.02**	4.29
Provision for doubtful advances		**NIL**	0.08
Debit/Credit balances and claims written off		**1.79**	9.15
(Profit)/Loss on sale of fixed assets		**(0.19)**	(2.29)
(Profit) on sale/redemption of Investments		**(1.89)**	(1.17)
Unrealised Exchange (Gain)/Loss		**13.03**	43.54
Employee Compensation Expenses under ESOP		**(1.20)**	0.24
Provision for Wealth Tax		**0.01**	0.01
Interest on Borrowings		**466.99**	323.63
Financial Charges		**30.52**	70.23
Operating Profit before Working Capital changes		**153.78**	122.23
Adjustments for:			
Inventories		**12.81**	21.88
Trade Receivables		**45.54**	(361.76)
Loans and advances		**(29.23)**	(665.08)
Other Current Assets		**119.85**	55.58
Trade payables		**(155.65)**	(853.23)
Other current liabilities and provisions		**(45.84)**	(32.53)
Cash generated from Operations		**101.25**	(1,712.91)
Direct taxes received/(paid)		**(18.35)**	(28.96)
Cash Flow from Operating Activities		**82.91**	(1,741.87)
Extraordinary items:			
Extraordinary item		**NIL**	NIL
Net Cash from Operating Activities:	**(A)**	**82.91**	(1,741.87)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of Fixed Assets		**(18.90)**	(37.46)
Proceeds from Sale of Fixed Assets		**0.24**	3.60
Capital Subsidy received		**11.39**	NIL
Proceeds from sale of Investments in Mutual Fund		**468.36**	342.44
Purchase of investments – Subsidiaries		**NIL**	(5.31)
Purchase of investments – other than Subsidiaries *		**NIL**	(137.36)
Purchase of Investments – Mutual Fund		**(466.47)**	(341.27)
Realisation from Sale of investments – Other than Subsidiaries *		**NIL**	25.00
Interest and Dividend Income		**2.54**	12.00
Net cash generated from/(used in) investing activities	**(B)**	**(2.83)**	(138.35)

Cash Flow Statement for the period ended March 31, 2013

₹ in Crores

Particulars		April 12 to March 13 (12 months)	July 11 to March 12 (9 months)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in Borrowings		**266.65**	1,509.83
CCD Application Money		**NIL**	83.45
Decrease in Borrowings		**(0.00)**	(20.26)
Interest paid		**(291.22)**	(78.60)
Financial Charges		**(30.52)**	(70.23)
Payment of Derivatives Contracts		**NIL**	(8.50)
Net cash received from/(used in) financing activities	**(C)**	**(55.08)**	1,415.69
Net increase in cash and cash equivalents	**(A + B + C)**	**24.98**	(464.53)
Cash and cash equivalents (Opening)		**84.25**	548.78
Cash and cash equivalents (Closing)		**109.24**	84.25
Cash and Cash equivalents as restated		**109.24**	84.25

* Includes Purchase and Sale of Mutual Fund units

(i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard – 3 'Cash Flow Statement.

(ii) Figures in brackets indicate outflows.

(iii) Cash and Cash Equivalents at the end of the year include Deposits with Banks agreegating to ₹ 33.31 Cr. (Previous year ₹ 41.60 Cr.) which are pledged and also includes ₹ 1.37 Cr. (Previous Year ₹ 1.50 Cr.) towards amount payable for Unclaimed Dividend.

(iv) Following transactions since not involving cash flows are not considered in preparation of above transactions:

a) Allotment during the year of 0.01% Non–Participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 650 Cr. received in the previous period;

b) Allotment during the year of Equity Shares on account of conversion of Compulsory Convertible Debentures (CCDs) issued to Promoter of ₹ 83.45 Cr. received in the previous period as per CDR package;

c) Allotment during the year of Equity Shares on account of conversion of Compulsory Convertible Debentures (CCDs) issued to Lenders of ₹ 187.84 Cr. transferred from Lenders Secured Loan in the previous period as per CDR package;

d) Conversion of Investment of ₹ 569.36 Cr. in 0% Unsecured Compulsorily Convertible Debentures of Chennai Network Infrastructure Ltd. into Equity Shares of the said Company;

e) CCD Application Money of ₹ 0.93 Cr. transferred from Lenders Secured Term Loan Liability as per CDR package.

(v) Previous periods figures have been regrouped/rearranged/recast wherever necessary to make them camparable with those of current year.

(vi) Figures of current year for 12 months and hence are not comparable to previous period which was of 9 months.

As per our report of even date

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

For M/s. Godbole Bhave & Co.
Chartered Accountants
FRN No. 114445W

A.S. Mahajan
Partner
Membership No.100483

For M/s. Yeolekar & Associates
Chartered Accountants
FRN No. 102489W

S.S. Yeolekar
Partner
Membership No. 36398

S. K. Roy
Whole–time Director & COO

Vijay Vij
Director

Milind Bapat
Sr. Vice President – Finance

Vidyadhar Apte
Company Secretary

Mumbai
May 08, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Financial Statements:

The Financial Statements have been prepared on a going concern basis under historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 1956.

2. Use of Estimate:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3. Revenue recognition:

Revenues are recognized when it is earned and when there is no significant uncertainty as to its measurement and realization. The specific revenue recognition policies are as under:

a. Revenue from Turnkey Contracts, which are either Fixed Price or Cost Plus contracts, is recognized based on work completion of activity or achievement of milestone.

b. Revenue from sale of products (excluding under Agency arrangements) is recognized upon passing of title of goods and/or on transfer of significant risk and rewards of ownership thereto.

c. Revenue from Power distribution is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the accounting year.

d. Revenue from Services is recognized on performance of Service

e. Dividend income is recognized when the right to receive dividend is established.

f. Income such as annual maintenance contracts, annual subscriptions, Interest excluding interest on delayed payments; Facility Management is recognized as per contractually agreed terms on time proportion basis.

g. Other income is recognized when the right to receive is established.

h. Delayed payment charges and interest on delayed payments are recognized, on grounds of prudence, as and when recovered.

4. Fixed Assets, Intangible Assets and Capital Work–in–Progress:

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. All identifiable costs incurred up to the asset put to use are capitalized. Costs include purchase price (including non–refundable taxes/duties) and borrowing costs for the assets that necessarily take a substantial period of time to get ready for its intended use. Costs are adjusted for grants available to the Company which are recognized based on reasonable assurance that the Company will comply with the conditions attached to the grant and it is reasonably certain that the ultimate collection of grants will be made.

Intangible Assets are stated at the cost of acquisitions less accumulated amortization. In case of an internally generated assets cost includes all directly allocable expenditures. Intangible assets exclude the operating software, which forms an integral part of the hardware.

Capital Work–In–Progress include cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

5. Depreciation:

The depreciation on fixed assets is provided pro–rata to the period of use of Assets using the straight–line method based on Economic useful lives estimated by the management. The aggregate depreciation provided based on estimated economic useful life is not less than the depreciation as calculated at the rates specified in Schedule XIV of the Companies Act, 1956.

Sr.	Asset	Economic Useful Life (Years)
1	Buildings (including land for which no separate Valuation is available)	58
2	Plant and Equipment	3 to 10
3	Furniture and Fixtures	5
4	Office equipment	5
5	Computers and related operating systems	5 to 7
6	Networks	4 to 9
7	Test and Repair Equipment	5
8	Vehicles	5
9	Intangible Assets	
	a) Networking Software	3 to 9
	b) Other than Networking Software	5
10	Assets acquired for Power Distribution Franchise (Classified as Plant & Machinery)	
	a) Transformers, Switch Gears and Equipment	13
	b) Meters	8
	c) Overhead lines for Distribution	13
	d) Underground lines for Distribution	20
11	Leasehold Improvements	Over Lease period

Assets costing individually ₹ 5,000 or less are depreciated fully in the year purchase.

6. Impairment of Assets:

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period/s is reversed if there has been a change in the estimate of recoverable amount.

7. Investments:

Current Investments are carried at the lower of cost or quoted/ fair value computed scrip wise. Long–Term Investments are stated at cost. Provision for diminution in the value of long–term investments is made only if such decline is other than temporary.

8. Inventories:

a. Inventories including Work–in–process and stores and spares are valued at the lower of cost and net realizable value.

b. Cost of inventories is generally ascertained on first in first out basis.

9. Foreign currency transactions:

a. Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

b. Monetary foreign currency items are reported at the exchange rates as at Balance Sheet date.

c. In respect of transaction covered under forward exchange contracts, the difference between the exchange rates prevailing at the Balance Sheet date and rate on the date of the contract is recognized as exchange difference. The premium on forward contracts is amortized over the life of the contract.

d. Non–monetary foreign currency items are carried at cost.

e. Any gains or losses on account of exchange difference either on settlement or on translation are recognized in the Statement of Profit and Loss.

f. Foreign branch operations which are integral part of Company's operations, transactions there at are reported as under:

  i. Income and expenditure items at the exchange rate prevailing on the date of transaction.

  ii. Monetary items using exchange rates at the Balance Sheet date.

  iii. Non–monetary items at the exchange rates prevailing on the date of transaction.

10. Employee Benefits:

a. Short–term employee benefits are recognized as an expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related service is rendered.

b. Post–employment and other long–term employee benefits are recognized as an expense at the present value of amount payable determined using actuarial valuation techniques in Statement of Profit and Loss of the year in which the employee has rendered services. Actuarial gains and losses in respect of post–employment and other long–term benefits are charged to Statement of Profit and Loss.

c. In respect of employee's stock options, the excess of market price on the date of grant over the exercise price is recognized as deferred employee compensation expenses, which are amortized over vesting period.

11. Provision for Current and Deferred Tax:

a. **Current Tax:** Provision is made for income tax, under the tax payable method, based on the liability as computed after taking credit for allowances, exemptions, and MAT credit entitlement for the year. Adjustments in books are made only after the completion of the assessment. In case of matters under appeal, due to disallowances or otherwise, full provision is made when the Company accepts the said liabilities.

b. **Deferred tax:** The differences that result between the profit / loss offered for income tax and the profit / loss as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent there is virtual certainty that the asset will be realized in the future. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

12. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

13. Financial Derivatives and Hedging Transactions:

In respect of Derivatives Contracts, premium paid, provision for losses on restatement and gains/losses on settlement are recognized in Statement of Profit and Loss.

14. Borrowing Cost:

a. Borrowing costs, less any income on the temporary investment out of those borrowings, that are directly attributable to acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of that asset.

b. Other borrowing costs are recognized as expense in the period in which they are incurred.

15. Leases:

a. Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in Statement of Profit and Loss on a straight–line basis over the lease term.

b. Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to company are classified as Finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

16. Provision for Doubtful Debts and Loans and Advances:

Provision is made for doubtful receivables, loans and advances when the management considers the receivables, loans and advances to be doubtful of recovery.

17. Research and Development:

a. Revenue expenditure on Research and Development is charged to Statement of Profit and Loss in the period in which it is incurred.

b. Capital expenditure on Research and Development is included under the relevant fixed assets and depreciation thereon is provided as given in policy No. 5 above

2. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 SHARE CAPITAL ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised:		
290,000,000 (290,000,000) Equity Shares of ₹ 10 each	**290.00**	290.00
NIL (2,500,000) Preference Shares of ₹ 100 each	**NIL**	25.00
810,000,000 (NIL) Preference Shares of ₹ 10 each	**810.00**	NIL
	1,100.00	315.00
Issued, subscribed and paid–up:		
156,957,693 (97,267,833) Equity Shares of ₹ 10 each fully paid–up.	**156.96**	97.27
650,000,000 (NIL) 0.01% Non–Participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid–up.	**650.00**	NIL
Total	**806.96**	97.27

2.1.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Nos.	Amount ₹ in Crores	Nos.	Amount ₹ in Crores
Number of Equity Shares at the beginning of the year	**97,267,833**	**97.27**	97,267,833	97.27
Add: Allotment of Equity Shares of ₹ 10 each fully paid–up on account of Conversion of Compulsorily Convertible Debentures (CCDs) issued to Promoters and CDR Lenders under Corporate Debt Restructuring (CDR) package approved to the Company.	**59,689,860**	**59.69**	NIL	NIL
Total Number of Equity Shares at the end of the year	**156,957,693**	**156.96**	97,267,833	97.27

2.1.2 Reconciliation of the Preference shares outstanding at the beginning and at the end of the year:

₹ in Crores

Particulars	As at March 31, 2013		As at March 31, 2012	
	Nos.	Amount ₹ in Crores	Nos.	Amount ₹ in Crores
Number of Preference Shares at the beginning of the year	**NIL**	**NIL**	NIL	NIL
Add: Allotment of 0.01% Non–Participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid–up.	**650,000,000**	**650.00**	NIL	NIL
Total Number of Preference Shares at the end of the year	**650,000,000**	**650.00**	NIL	NIL

2.1.3 Terms, Rights, Preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote on show of hands and in case of poll, one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the Company in respect of any of the equity shares of such member. All equity shares of the Company rank *pari passu* in all respects including the right to dividend.

In the event of winding–up of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, if any, after distribution of all preferential amounts in proportion to the numbers of shares held at the time of commencement of winding–up.

The equity shareholders have all other rights as available to equity shareholders as per the provision of the Companies Act, 1956, read together with Memorandum of Association of the Company, as applicable.

2.1.4 Terms, Rights, Preferences and restrictions attached to 0.01% – Non–Participating Optionally Convertible Cumulative Preference Shares (OCPS):

The Company has only one class of preference shares, having face value of ₹ 10 per share. During the year, 650,000,000 (Previous Year – Nil) OCPS of ₹ 10/– each, fully paid–up, were issued to Chennai Network Infrastructure Ltd. (CNIL) against due consideration for novation of the Company's loan facility of ₹ 650 Crore availed from ICICI Bank to CNIL, pursuant to the CDR package sanctioned to the Company and CNIL.

After the expiry of a period of 6 months from the allotment date, the OCPS may be converted into equity shares of the Company at any time at "Conversion Price", in part or in full, at the option of CNIL. Notwithstanding anything contained herein, the conversion option shall automatically lapse after the expiry of 18 months from the allotment date in accordance with applicable laws. In the event CNIL wishes to exercise the conversion option, CNIL shall provide written notice to the Company.

The OCPS will carry a dividend of 0.01 % per annum, payable on a cumulative basis on the date of conversion/redemption as the case may be. Any declaration and payment of dividend shall at all times be subject to the availability of Profits and the terms of the restructuring of the debts under the Corporate Debt Restructure (CDR) Mechanism, unless otherwise agreed by the CDR Lenders. Further, in the event of inability of the Company to declare/pay dividend due to non–availability of Profits/pursuant to the terms of restructuring, the dividend will be waived by CNIL.

The "Conversion Price" shall comprise of

i. "Floor Price" determined with reference to "Relevant Date" (which shall be a date 30 (thirty) days prior to the date of Conversion Notice) in accordance with the ICDR Regulations or any other applicable regulations; and

ii. "Additional Conversion Premium" above the Floor Price as may be fixed by the Board at the time of conversion but not exceeding the Floor Price.

After the expiry of a period of 6 months from the Allotment Date, the OCPS may at the Option of the Company be redeemed, along with redemption premium at YTM of 8%, at any time prior to the expiry of 20 years from the date of the allotment of the OCPS, in part or in full, after providing a prior written notice of 30 days to CNIL. The payment of redemption premium shall at all times and always be subject to: (i) availability of distributable profits (including from sale of assets); (ii) availability of adequate reserves in the security premium account for payment of the premium; (iii) all payment obligations to the CDR Lenders by the Company having been discharged in terms of the Letter of Approval dated December 23, 2011 and other debt restructuring documents, unless otherwise agreed upon by the CDR Lenders; and (iv) subject to CNIL being under the control of its sponsors as on date of redemption, viz. Mr. Manoj Tirodkar and Global Holding Corporation Ltd.

Other than as permitted under applicable laws, CNIL will not have a right to vote at the Company's General Meetings. CNIL also agrees to waive the right to vote in the event it waives the right to receive dividend.

In the event of winding–up of the Company, the holders of preference shares will be entitled to receive in proportion to the numbers of shares held at the time of commencement of winding–up, any of the remaining assets of the Company, if any, after distribution to all secured creditors and preference shareholders right to receive monies out of the remaining assets of the Company shall be reckoned *pari–passu* with other unsecured creditors, however, in priority to the equity shareholders.

The preference shareholders shall have such rights as per the provision of the Companies Act, 1956, read together with Memorandum of Association of the Company, as applicable.

2.1.5 Number of Shares reserved for issue and terms thereof:

i) During the year, the Company closed all the Employee Stock Option Schemes consequent upon cancellation/ lapse of all outstanding options in the hands of the employees. Therefore, for the period ended, there are no outstanding options in the hands of employees.

ii) During the year, the Company has allotted 0.01% – 65,00,00,000 Non–Participating Optionally Convertible Cumulative Preference Shares (OCPS) of the face value of ₹ 10/– each at par. OCPS holders have option to convert OCPS in to equity shares any time after 6 months but before 18 months of the date of allotment of OCPS at a conversion price as stated in Note No. 2.1.4 above.

iii) Against CCD application money of ₹ 0.93 Cr. outstanding as at March 31, 2013, the Company allotted 1% Compulsorily Convertible Debenture (CCD) of the face value of ₹ 100/– each to CDR lender on April 3, 2013. These CCDs are converted into 339,088 equity shares of ₹ 10/– each on April 4, 2013.

2.1.6 The details of shareholders holding more than 5% of Equity shares in the Company

Name of the shareholder	No. of Shares as at March 31, 2013	% held as at March 31, 2013	No. of Shares as at March 31, 2012	% held as at March 31, 2012
Global Holding Corporation Pvt. Ltd.	**50,980,559**	**32.48%**	22,480,559	23.11%
Manoj G. Tirodkar	**18,599,435**	**11.85%**	238,600	0.25%
ICICI Bank Ltd.	**96,220**	**0.06%**	28,500,000	29.30%

2.1.7 The details of shareholders holding more than 5% of Preference shares in the Company

Name of the shareholder	No. of Shares as at March 31, 2013	% held as at March 31, 2013	No. of Shares as at March 31, 2012	% held as at March 31, 2012
Chennai Network Infrastructure Ltd.	**650,000,000**	**100%**	NIL	NIL

2.2 RESERVES AND SURPLUS

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Reserve		
Opening balance	**0.00**	0.00
Add: Transferred from Statement of Profit and Loss	**NIL**	NIL
Closing Balance	**0.00**	0.00
Capital Redemption Reserve		
Opening balance	**8.63**	8.63
Add: Transferred from Statement of Profit and Loss	**NIL**	NIL
Closing Balance	**8.63**	8.63
Securities Premium Reserve		
Opening balance	**235.99**	235.99
Add: On issue of Equity shares on conversion of CCD	**211.61**	NIL
Closing Balance	**447.60**	235.99
Debenture Redemption Reserve		
Opening balance	**191.16**	191.16
Add: Transferred from Statement of Profit and Loss*	**NIL**	NIL
Closing Balance	**191.16**	191.16
Employee Stock Option Outstanding		
Opening balance	**1.20**	1.30

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Addition/(Deletion) during the Year (Refer Note No. 2.30)	**(1.20)**	(0.10)
	NIL	1.20
Less: Deferred Compensation Expense		
Opening balance	**NIL**	0.34
Addition/(Deletion) during the Year	**NIL**	(0.34)
	NIL	NIL
Net ESOP Reserve	**NIL**	1.20
General Reserve		
Opening balance	**510.76**	510.76
Add: Transferred from Statement of Profit and Loss	**NIL**	NIL
Closing Balance	**510.76**	510.76
Balance in Statement of Profit and Loss:		
Surplus /(Deficit) Opening Balance	**(149.09)**	240.30
Add/Less: Net profit/(loss) after tax transferred from Statement of Profit and Loss	**(519.37)**	(400.74)
Add: Excess Provision of Dividend	**NIL**	9.73
Add: Dividend Distribution Tax on Excess Provision of Dividend	**NIL**	1.62
Surplus/(Deficit) Closing Balance	**(668.46)**	(149.09)
Total	**489.69**	798.65

*In view of Loss incurred, no Debenture Redemption Reserve is created for the year ended March 31, 2013 and for the period ended March 31, 2012.

2.3 LONG–TERM BORROWINGS

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Secured Loans		
Term Loans:		
From Banks	**2,440.60**	2,438.47
Total of Secured Loan (Refer Note 2.3.1 & 2.3.2)	**2,440.60**	2,438.47
Unsecured Loans		
Debentures:		
Rated Redeemable Unsecured Rupee Non–convertible Debentures (Refer Note 2.8.1)	**460.00**	930.00
Total	**460.00**	930.00
Total of Long–Term Borrowings	**2,900.60**	3,368.47

2.3.1 Securities offered

i) First *pari passu* charge over free–hold non– agricultural land admeasuring 296.50 Sq. Mtrs., known as Plot No. 37, part of Survey No. 36A, Mouje Pali, Sudhagad Taluka, Raigad District.

First *pari passu* charge over the Company's movable assets, both tangible and intangible and the Company's plant and machinery, tools and vehicles.

First *pari passu* charge over all rights, title, interest, benefit, claims and demands whatsoever of the Company, in, to, and/or under the Project Documents, clearances and insurance contracts.

First *pari passu* charge over all bank accounts of the Company, including the Trust and Retention Accounts (and all sub–accounts thereof), Distribution Franchisee Business Accounts.

First *pari passu* charge over all monies and amounts owing to or received by or receivable by the Company, whether now existing, or at any time existing.

ii) Pledge of all investments of the Company in Equity Share, Preference Shares and other securities in other companies.

iii) Mr. Manoj G. Tirodkar one of the promoters of the Company has extended a personal guarantee. The guarantee is limited to an amount of ₹ 394.28 Cr..

iv) Mr. Manoj G. Tirodkar and Global Holding Corporation Pvt. Ltd. promoters of the Company have executed sponsor support agreement to meet any shortfall or expected shortfall in the cash flows towards the debt servicing obligations of the Company.

v) Prior to the restructuring of Company's debts under CDR Mechanism, the Company created security on certain specified tangible assets of the Company in favour of Andhra Bank, Punjab National Bank, Union Bank of India, Vijaya Bank, IDBI Bank Limited, State Bank of Hyderabad, Bank of Baroda, UCO Bank, Indian Overseas Bank, Indian Bank, Canara Bank and Dena Bank for their respective credit facilities other than term loans, aggregating ₹ 1,572 Cr.. In terms of CDR Documents inter–alia Master Restructuring Agreement, the earlier charges are not satisfied by the Company after creation of new security as stated in (i to iv) above.

2.3.2 Maturity profile of Long–Term Borrowings and Current Maturities thereof:

(₹ in Crores)

Nature of facility and Rate of interest	March 14	March 15	March 16	March 17	March 18	March 19	March 20	March 21
WCTL – 11%	184.87	277.31	369.74	369.74	415.96	231.09	231.09	231.09
FITL – 2%	78.65	98.31	98.31	117.97	NIL	NIL	NIL	NIL
Rated Redeemable Unsecured Rupee Non–Convertible Debentures – 9.95%	470.00	460.00	NIL	NIL	NIL	NIL	NIL	NIL
Total	**733.52**	**835.62**	**468.05**	**487.71**	**415.96**	**231.09**	**231.09**	**231.09**

2.4 OTHER LONG–TERM LIABILITIES

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Security Deposits	**2.18**	2.47
Total	**2.18**	2.47

2.5 LONG–TERM PROVISIONS

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for Employee Benefit		
i) Gratuity	**0.33**	1.43
ii) Leave Encashment	**1.73**	2.30
Total	**2.06**	3.73

2.6 SHORT–TERM BORROWINGS

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Loans repayable on demand:		
From Banks		
– Cash Credit – Secured*	**245.65**	245.57
Total	**245.65**	245.57

* For details of Securities offered in respect of cash credit facility refer Note No. 2.3.1

2.7 TRADE PAYABLE

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Payables (Including Acceptances)	**324.53**	480.42
Total	**324.53**	480.42

2.7.1 The Balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

2.7.2 Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

The information required to be disclosed has been furnished to the extent parties have been identified as Micro, Small and Medium Enterprises on the basis of information available in this regard with the Company.

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Principal amount remaining unpaid	**2.78**	4.90
Interest due thereon	**1.73**	3.34
Interest paid by the Company in term of Section 16	**NIL**	NIL
Interest due and payable for the period of delay in payment	**1.73**	3.34
Interest accrued and remaining unpaid	**1.73**	3.34
Interest remaining due and payable even in succeeding years	**1.73**	3.34

2.8 OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of Secured Long–Term Loan from Bank	**263.52**	NIL
Current Maturities of Rated Redeemable Unsecured Rupee Non–Convertible Debentures (Refer Note No. 2.8.1)	**470.00**	470.00
Dues to holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures (Refer Note No. 2.8.1)	**470.00**	NIL
Due to External Commercial Borrowing Lenders (Refer Note No. 2.8.2)	**815.70**	763.35
Preference Share Application Money – Pending allotment	**NIL**	650.00
Application Money towards 1% Compulsory Convertible Debenture (CCD)	**0.93**	271.29
Interest accrued but not due on borrowings	**20.12**	20.06
Interest accrued and due on borrowings (Refer Note No. 2.8.3)	**295.88**	119.64
Interest accrued and due on Others	**1.73**	3.34
Unpaid dividends (Refer Note No. 2.8.4)	**1.37**	1.50
Capex Creditors	**2.85**	4.85
Expense Creditors	**30.22**	60.69
Provision for Expenses	**11.45**	11.30

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Accrued salaries and Employee benefits	**4.87**	5.95
Withholding and other taxes payable	**31.31**	45.60
Advance from Customers	**43.09**	29.41
Security Deposit Received	**1.15**	10.89
Other Liabilities*	**2.58**	1.92
Total	**2,466.77**	2,469.79

*Includes due to employee ₹ 2.50 Cr. (₹ 1.19 Cr.).

2.8.1 Dues to holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures represents unpaid amount of debentures which were due for redemption in Feb 2013.

The holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures have given their consent to be part of Corporate Debt Restructuring Scheme. The Company has been in discussion with the holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures to arrive at applicable and mutually acceptable terms of restructuring. The Company expects to finalise the terms and conditions in due course. Pending restructuring, the liabilities towards holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures has been accounted in the books as per the original terms and conditions of issue of debentures.

2.8.2 External Commercial Borrowing (ECB) of USD 150 mn. availed by the Company was due for repayment in August 2011 and therefore entire amount due to ECB lenders is overdue for payment.

The Company has been in discussions with ECB Lenders to arrive at applicable and mutually acceptable terms for restructuring. These discussions have resulted in Company and ECB lenders agreeing to an indicative term sheet for obtaining approval for restructuring. The Company has received approval from the RBI to restructure ECB partially. The lenders of ECB have agreed to convert their USD debt to equivalent Rupee debt and such debt being treated on par with the other domestic Rupee debt. Accordingly these lenders have executed a Deed of Accession in March 2013. The Company is awaiting to execute an Exit Deed with all ECB lenders. Further, pending execution of Common Loan Documents the Company has accrued interest on ECB at earlier applicable rate and as per the earlier approval of the RBI.

2.8.3 Interest accrued and due on borrowings comprises of

a) Overdue interest of ₹ 250.89 Cr. (₹ 105.93 Cr.) relating to the period May 2011 to February 2013 (May 2011 to February 2012) on 'Rated Redeemable Unsecured Rupee Non–convertible Debentures;

b) Overdue interest of ₹ 44.66 Cr. (₹ 11.48 Cr.) relating to the period for December 12, 2011 to March 19, 2013 (December 12, 2011 to March 19, 2012) on External Commercial Borrowing;

c) Overdue interest of ₹ 0.08 Cr. (₹ 2.01 Cr.) and ₹ 0.25 Cr. (₹ 0.23 Cr.) on Cash Credit and Funded Interest Term Loan respectively. Entire Interest of ₹ 0.08 Cr. due on Cash Credit facility and interest of ₹ 0.15 Cr. out of ₹ 0.25 Cr. on Funded Interest Term Loan has been paid subsequently.

2.8.4 The Unpaid Dividend amount includes ₹ 0.03 Cr. which is held in abeyance and has not been transferred to Investor Education and Protection Fund on account of pending legal cases.

2.8.5 Details of Provision for Derivatives Loss (MTM)

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Opening Balance	**NIL**	8.50
Less: Payment during the year	**NIL**	(8.50)
Closing Balance	**NIL**	NIL

2.9 SHORT–TERM PROVISIONS ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
i) Gratuity	**2.33**	3.29
ii) Leave Encashment	**0.21**	0.29
Provision for Wealth Tax (Net of Payment)	**NIL**	0.01
Provision for Fringe Benefit Tax (Net of Payment)	**0.05**	0.05
Total	**2.59**	3.64

2.9.1 Details of Provision for unexpired warrantee ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Opening Balance	**NIL**	0.49
Less: Utilization during the year	**NIL**	(0.49)
Closing Balance	**NIL**	NIL

2.10 FIXED ASSETS

₹ in Crores

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2012	For the period Additions	Sale / Adjustment	As at March 31, 2013	As at April 1, 2012	For the period Additions	Sale / Adjustment	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible Assets										
Land – Freehold	0.24	NIL	NIL	**0.24**	NIL	NIL	NIL	**NIL**	**0.24**	0.24
Buildings (Including Leashold)	90.01	NIL	NIL	**90.01**	9.83	1.54	NIL	**11.36**	**78.65**	80.19
Plant and Equipments	367.63	82.76	(11.40)	**438.99**	101.05	67.91	NIL	**168.96**	**270.03**	266.58
Furniture and Fixtures	19.42	0.03	(0.44)	**19.01**	11.17	1.81	(0.43)	**12.55**	**6.46**	8.25
Office Equipments	12.97	0.49	(0.32)	**13.14**	7.93	1.28	(0.28)	**8.92**	**4.22**	5.05
Computers	19.37	0.07	(2.35)	**17.09**	15.43	2.01	(2.32)	**15.12**	**1.97**	3.94
Networking Assets	314.26	NIL	NIL	**314.26**	167.31	66.82	NIL	**234.13**	**80.13**	146.95
Test and Repair Equipments	22.66	0.01	NIL	**22.67**	14.91	2.98	NIL	**17.89**	**4.78**	7.75
Vehicles	0.85	0.13	NIL	**0.97**	0.85	0.01	NIL	**0.86**	**0.11**	NIL
SUB TOTAL (A)	**847.42**	**83.49**	**(14.51)**	**916.38**	**328.48**	**144.36**	**(3.03)**	**469.79**	**446.59**	**518.94**
Intangible Assets										
Networking Software	39.53	2.19	NIL	**41.72**	35.84	0.71	NIL	**36.55**	**5.17**	3.69
Other than Networking Software	72.75	NIL	NIL	**72.75**	42.11	12.17	NIL	**54.28**	**18.47**	30.64
SUB TOTAL (B)	**112.28**	**2.19**	**NIL**	**114.47**	**77.95**	**12.88**	**NIL**	**90.83**	**23.64**	**34.33**
SUB TOTAL (A + B)	**959.70**	**85.68**	**(14.51)**	**1,030.85**	**406.43**	**157.24**	**(3.03)**	**560.62**	**470.23**	**553.26**
Capital work–in–progress	88.11	15.65	(84.40)	**19.36**					**19.36**	88.11
TOTAL	**1,047.81**	**101.33**	**(98.91)**	**1,050.21**	**406.43**	**157.24**	**(3.03)**	**560.62**	**489.59**	**641.38**
PREVIOUS YEAR	**1,019.78**	**140.99**	**(112.96)**	**1,047.81**	**318.44**	**88.57**	**(0.60)**	**406.43**	**641.38**	**701.32**

Notes:

1. Gross block of building includes subscription towards share capital of co–operative societies amounting to ₹ 0.00/– (Previous Year ₹ 0.00/–) and leased buildngs amounting to ₹ 19.91 Cr. (Previous Year ₹ 19.91 Cr.).
2. Intangible assets include internally generated softwares of ₹ 7.27 Cr. (Previous Year ₹ 7.27 Cr.).
3. The depreciation for the year is higher by ₹ 40.36 Cr. on account of review of economic useful life of certain assets included in P&M and Networking Assets.
4. "Sale & Adjustment column" pertaining to Plant & Machinery represents adjustment on account of Capital Subsidy of ₹ 11.39 Cr. (Previous Year NIL) received during the year. Consequent upon adjustment depreciation of ₹ 0.58 Cr. (Previous Year NIL), provided on these assets has been written back.

2.11 NON–CURRENT INVESTMENT

₹ in Crores

Particulars	Numbers	As at March 31, 2013	As at March 31, 2012
Trade			
Quoted			
Equity Shares of			
Asssociates			
GTL Infrastructure Ltd. (Face Value of ₹ 10/– each)	170,226,673 (170,226,673)	**291.23**	291.23
Total of Quoted Investments in Equity Shares – Trade	**(A)**	**291.23**	291.23

₹ in Crores

Particulars	Numbers	As at March 31, 2013	As at March 31, 2012
Un–quoted			
Equity Shares of			
Subsidiaries			
International Global Tele–Systems Ltd. (Face Value of ₹ 10/– each)	2,762,615 (2,762,615)	**9.59**	9.59
GTL International Ltd. (Face Value of ₹ 10/– each)	3,000,000 (3,000,000)	**11.96**	11.96
Ada Cellworks Wireless Engineering Pvt. Ltd. (Face Value of ₹ 10/– each)	90,000 (90,000)	**13.46**	13.46
		35.01	35.01
Asssociates			
Global Rural Netco Ltd. (Face Value of ₹ 10/– each)	75,000,000 (75,000,000)	**75.00**	75.00
Chennai Network Infrastructure Ltd. (Face Value of ₹ 10/– each)	1,700,742,399 (1,068,122,000)	**1,637.48**	1,068.12
		1,712.48	1,143.12
Others			
European Projects and Aviation Ltd. (Face Value of ₹ 10/– each)	12,350,000 (12,350,000)	**53.81**	53.81
		53.81	53.81
Total of Un–quoted Investments in Equity Shares – Trade	**(B)**	**1,801.30**	1,231.94
Preference Shares of			
Subsidiaries			
3.5 % Preference Shares of GTL International Ltd. (Face Value of US$ 1/– each)	5,000,000 (5,000,000)	**27.18**	25.44
3.5 % Preference Shares of International Global Tele–Systems Ltd. (Face Value of US$ 1/– each)	69,000,000 (69,000,000)	**375.02**	351.07
		402.20	376.51
Others			
0.1% Cumulative Preference Shares of Global Proserv Ltd. (Face Value of ₹ 100/– each)	13,000,000 (13,000,000)	**130.00**	130.00
0.1% Optionally convertible Preference Shares of European Projects and Aviation Ltd. (Face Value of ₹ 10/– each)	13,000,000 (13,000,000)	**13.00**	13.00
		143.00	143.00
Total of Un–quoted Investments in Preference Shares – Trade	**(C)**	**545.20**	519.51
Total of Un–quoted Investments – Trade	**D = (B + C)**	**2,346.50**	1,751.45
Total of Investments – Trade	**E = (A + D)**	**2,637.73**	2,042.68
Other Invesments – Non–Trade			
Un–quoted			
Equity Shares of Others			
Brickworks Ratings India Pvt. Ltd. (Face Value of ₹ 10/– each)	320,000 (320,000)	**2.00**	2.00

₹ in Crores

Particulars	Numbers	As at March 31, 2013	As at March 31, 2012
Alpha Impex International Ltd. (Face Value of US$ 1/– each)	5,000 (5,000)	**0.02**	0.02
The Shamrao Vithal Co–operative Bank Ltd. (Face Value of ₹ 25/– each)	25 (25)	**0.00**	0.00
Total of Un–quoted Investments in Equity Shares – Non Trade	**(F)**	**2.02**	2.02
0% Unsecured Compulsorily Convertible Debentures	**(G)**		
Associates			
Chennai Network Infrastructure Ltd. (Face Value of ₹100/– each)	NIL (56,935,836)	**NIL**	569.36
Total of Investments – Non–Trade	**H = (F + G)**	**2.02**	571.38
Total Investments	**I = (E + H)**	**2,639.75**	2,614.06

2.11.1 For basis of Valuation Refer Point No. 7 of Note No. 1 “Significant Accounting Policy”.

2.12 LONG TERM LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Advance to Suppliers (Refer Note No. 2.12.1)	**1,436.79**	NIL
Capital Advances	**120.05**	120.05
Other Advances (Refer Note No. 2.12.2)	**234.90**	NIL
Security Deposits	**5.07**	6.25
Total	**1,796.81**	126.30

2.12.1 The Company had opportunities of execution of contracts for rollout of telecom sites from BSNL Mega Tender, Arrangement with Aircel for construction of 20,000 telecom sites. The said opportunities could not materialize due to reasons beyond the contol of the management. The situation has further aggravated in view of cancellation of 122 2G telecom licenses & slow down into telecom sector. The Company has made advances for procurement of material to execute various telecom projects including above.

In view of the reason stated above, the management has deferred the plan to procure material against these advances to future period, which will depend on the telecom industry scenario. Hence, as per requirement of Revised Schedule VI, these advances have been grouped under “Long–Term Loans and Advances”, which in previous year were grouped under “Short–Term Loans and Addvances”.

2.12.2 Other Advances were grouped under “Short–Term Loans and Advances” in the previoius year. The Company is in discussion & negotiation with these parties and these advances are expected to be realized over a period and accordingly, these advances have been grouped under “Long–Term Loans and Advances” as per requirement of Revised Schedule VI.

2.13 INVENTORIES

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Stock–in–trade held for trading	**272.02**	284.47
Work–in–Progress	**17.46**	17.73
Stores and Spares	**1.20**	1.76
Consumables	**7.71**	7.23
Total	**298.39**	311.19

2.13.1 For basis of valuation – Refer Point No. 8 of Note No. 1 “Significant Accounting Policies”.

2.14 TRADE RECEIVABLES (UNSECURED)

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Debts outstanding for a period exceeding six months (From the due date of the payment)		
Considered good	**642.10**	770.79
Considered doubtful	**12.44**	5.51
Less: Allowance for Doubtful Trade Receivables	**(12.44)**	(5.51)
Sub Total	**642.10**	770.79
Other debts		
Considered good	**162.46**	88.53
Total	**804.56**	859.32

2.14.1 The Balances of Trade Receivables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

2.15 CASH AND BANK BALANCES ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
1) Cash and Cash Equivalents		
a) Balance with Banks	**54.13**	41.04
b) Cash on Hand	**0.10**	0.12
c) Cheques in Hand (Since Realised)	**20.33**	NIL
2) Earmarked Balances with Bank	**1.37**	1.50
3) Balances with Bank held as margin money*	**33.31**	41.59
Total	**109.24**	84.25

*Includes ₹ 0.56 Cr. (₹ 1.30 Cr.) having maturity after 12 months.

2.16 SHORT–TERM LOANS and ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Loans and Advances		
i) Associates	**3.38**	4.00
ii) Subsidiaries	**244.68**	211.66
iii) Others (Refer Note No. 2.12.2)	**NIL**	234.90
Deposits	**36.92**	7.96
Less: Provision for doubtful Deposits	**(0.41)**	(0.33)
Deposits considered good	**36.51**	7.63
Advance Income Tax and Tax Deducted at source (Net of provision)	**61.68**	43.72
Prepaid Expenses	**8.21**	30.18
Input Tax Recoverable	**17.99**	19.10
Advance to Suppliers (Refer Note No. 2.12.1)	**197.62**	1,627.36
Less: Provision for doubtful Advance to Suppliers	**(0.28)**	(0.27)
Advance to Suppliers considered good	**197.34**	1,627.09
Loans and Advances to employees	**2.09**	2.60
Less: Provision for doubtful Loans and Advances to employees	**(0.73)**	(0.71)
Loans and Advances to employees considered good	**1.36**	1.89
Others	**6.79**	8.74
Total	**577.94**	2,188.91

2.17 OTHER CURRENT ASSETS ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Unbilled Revenue	**114.71**	133.90
Receivable towards reimbursable cost/ expense	**32.17**	130.65
Receivable towards Invocation of Investment (Refer Note No. 2.17.1)	**250.19**	251.62
Compensation towards Invocation of Investment (Refer Note No.2.17.1)	**50.46**	50.46
Interest Receivables	**26.79**	28.96
Others	**50.43**	49.00
Total	**524.75**	644.59

2.17.1 In terms of the Non–Disposal Undertaking–cum–Escrow Agreement with POA, the Company, offered 27.37 Cr. shares held in GTL Infrastructure Ltd. (GIL) as security to IFCI Limited (IFCI) for their financial assistance of ₹ 250 Cr. to Chennai Networks Infrastructure Ltd. (CNIL). IFCI had created pledge on these shares on July 13, 2011 and issued a No Dues Certificate to CNIL on July 22, 2011.

The Company has contested this appropriation and by an order dated August 29, 2011 of the Hon'ble Delhi High Court, IFCI was reverted to the position of a pledgee and continued to be a lender in CNIL. IFCI has challenged this order and presently the matter is sub–judice.

The Company & IFCI entered into a settlement and resultantly IFCI has agreed to return the GIL shares pledged with it. Accordingly, the Company made an application to SEBI under SEBI Substantial Acquisition of Shares and Takeovers, Regulations 2011 thereby seeking exemption from making an open offer consequent upon the return of GIL pledged shares to the Company and received the required approval on April 25, 2013. Pending completion of formalities, the shares are yet to be returned to the Company by IFCI.

The Company has written down the value of these investments and continues its claim on CNIL equal to the book value of its investment in shares of GIL appropriated by IFCI.

2.18 REVENUE FROM OPERATIONS ₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Sale of Products		
Telecom Products	**NIL**	3.69
Power Management	**20.37**	17.58
Sale of Services		
Telecom Services	**111.19**	163.54
Power Management Services	**18.53**	22.00

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Revenue from Turnkey Projects		
Telecom Projects	**7.33**	13.44
Revenue from Power Distribution Business	**984.65**	622.44
Revenue from Energy Management Business	**1,029.50**	663.77
Other Operating Revenues	**0.01**	0.53
Total	**2,171.58**	1,506.99

2.19 OTHER INCOME

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Interest on Bank Deposits	**2.27**	8.99
Interest on Others	**0.25**	19.60
Dividend on Non–Trade Investments	**0.01**	0.01
Profit on sale of Current Investments (Net)	**1.89**	1.17
Gain on Foreign Currency Transactions (Net)	**30.24**	6.08
Lease and Rent Income	**2.70**	6.66
Profit on sale of Fixed Assets (Net)	**0.19**	2.29
Other Non–Operating Income	**4.13**	5.14
Total	**41.68**	49.94

2.20 COST OF PURCHASES / SERVICES

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Purchase of Stock–in–Trade		
Telecom Products	**NIL**	18.31
Power Management	**24.26**	14.75
Total of Purchase of Stock–in–Trade	**24.26**	33.06
Purchase of Material (Other than for trade) and Services		
Energy Input Cost – (Franchisee Business)	**934.30**	578.15
Electricity, Diesel cost for Energy Management	**780.33**	541.04
Sub–Contractor Charges	**43.53**	24.92
Vehicle Hire Charges – Projects	**4.32**	6.69
Hire Charges – Network Equipment	**0.20**	0.75
Total of Purchase of Material (Other than for trade) and Services	**1,762.68**	1,151.55
Total	**1,786.94**	1,184.61

2.21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK–IN–PROGRESS AND STOCK–IN–TRADE

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Decrease / (Increase) in Inventory		
Work–in–Progress	**0.27**	(13.90)
Stock–in–trade	**12.45**	34.07
Spares and Consumables	**0.09**	1.71
Total	**12.81**	21.88

2.22 EMPLOYEE BENEFIT EXPENSES

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Salaries	**66.24**	48.50
Contribution to Provident and Other Funds	**5.68**	5.13
Staff Welfare Expenses	**3.30**	2.91
Employee Compensation Expense under ESOP (Refer Note No. 2.30.1)	**(1.20)**	0.24
Outsourced Manpower Cost	**77.16**	75.77
Total	**151.18**	132.55

2.23 FINANCE COSTS

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Interest on Borrowings	**466.99**	323.63
Other Borrowing costs	**30.52**	70.23
Exchange difference to the extent considered as an adjustment to Borrowing Cost	**43.41**	36.96
Total	**540.92**	430.82

2.24 OTHER EXPENSES

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Consumption of Stores and Spares (Refer Note No. 2.24.1)	**0.52**	0.78
Communication Expenses	**1.41**	3.93
Advertisement Expenses	**0.39**	2.21
Business Promotion Expenses	**0.27**	0.72
Discounts and Commission	**11.31**	6.59

₹ in Crores

Particulars		April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Freight Charges		**0.05**	0.01
Rates and Taxes [including Wealth tax]		**1.41**	3.81
Rent		**5.39**	7.73
Electricity Charges		**2.82**	2.09
Insurance		**1.36**	1.73
Legal and Professional Fees		**4.61**	3.86
Travelling and Conveyance Expenses		**5.29**	9.83
Director's Sitting Fees		**0.06**	0.05
Auditor's Remuneration (Refer Note No. 2.24.2)		**0.41**	0.31
Repairs and Maintenance – Buildings		**0.06**	0.10
Repairs and Maintenance – Plant and Machinery		**1.32**	0.01
Repairs and Maintenance – Others		**5.81**	5.69
Provision for Doubtful Trade Receivables	**9.02**		
Bad Debts Written off	**2.01**		
Provision Written back	**(2.01)**	**9.02**	4.37
Other Expenses		**31.66**	30.14
Total		**83.17**	83.96

2.24.1 Details of Consumption of Stores and Spares

Particulars	April 12 – March 13		July 11 – March 12	
	₹ in Crores	%	₹ in Crores	%
Indigenous Goods	**0.52**	**100%**	0.78	100%
Imported Goods	**NIL**	**NIL**	NIL	NIL

2.24.2 Auditor's Remuneration: ₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Statutory Audit Fees	**0.30**	0.22
Tax Audit Fees	**0.06**	0.05
VAT Audit Fees	**0.03**	0.02
Other Matters	**0.01**	0.01
Out of Pocket Expenses	**0.01**	0.01
Total*	**0.41**	0.31

*The above amounts are excluding Service Tax.

2.24.3 Prior Period Items: ₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
1. Income		
Sales and Services	**NIL**	2.79
2. Expenses		
Cost of Sales and Services	**NIL**	0.08
Interest and Finance Charges	**NIL**	(0.01)
Total	**NIL**	2.86

Prior period items are considered in the respective line items as stated above.

2.25 TAX EXPENSE

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Income Tax	**NIL**	NIL
Less: MAT Credit entitlement	**NIL**	NIL
Net Current Income Tax	**NIL**	NIL
Short Provision for Income tax for earlier years	**0.37**	15.43
Deferred taxes	**NIL**	(0.14)
Total	**0.37**	15.29

2.26 DEFERRED TAXES ASSETS (NET) – COMPOSITION

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Relating to		
a) Fixed Assets	**36.98**	56.78
b) Expenses where deduction is available on payment basis	**(59.12)**	(4.16)
c) Unabsorbed Depreciation	**(97.30)**	(61.90)
Total Net	**(119.44)**	(9.28)

The Company has a Deferred Tax Asset of ₹ 119.44 Cr. as on March 31, 2013 (₹ 9.28 Cr. as on March 31, 2012). In the absence of reasonable certainty of sufficient future taxable income against which Deferred Tax Asset can be realized, the same is not recognized in accordance with AS 22 on Accounting for Taxes on Income issued by ICAI.

2.27 VALUE OF IMPORT OF MATERIAL ON C.I.F. BASIS

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Capital Goods	**0.44**	NIL
Trading Goods	**0.05**	1.43
Total	**0.49**	1.43

2.28 ACTIVITY IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Earnings in Foreign Currency		
i) Sales and Services	**1.56**	9.97
Total	**1.56**	9.97
Expenditure in Foreign Currency		
i) Interest on borrowings	**32.70**	19.96
ii) Equipment hire Charges	**0.21**	1.35
iii) Travelling Expenses	**0.02**	0.25
iv) Subscription and Membership Fees	**0.01**	NIL
v) Repairs and Maintenance	**0.01**	NIL
vi) Professional and Consultancy Charges	**0.41**	NIL
vii) Others	**NIL**	0.10
Total	**33.36**	21.66

2.29 OPERATING LEASES

The Company's lease agreements are in respect of operating lease for office premises, guesthouse, warehouses and vehicles. These lease arrangements are cancellable by either parties there to as per the terms and condition of the agreements. The lease rental recognized in the Statement of Profit and Loss during the year under the heading 'Rent' in 'Other Expenses' is ₹ 5.39 Cr. (₹ 3.10 Cr.). The lease obligations due within next five–years are ₹ 12.88 Cr. (₹ 19.22 Cr.).

2.30 EMPLOYEE BENEFITS

2.30.1 Employee Stock Options

i) During the year the Company has not granted any stock options to the employees. Further, during the year the Company has closed all the Employee Stock Option Schemes consequent to cancellation of all outstanding options in the hands of the employees. Therefore, for the year ended, there are no outstanding options in the hands of employees.

ii) The following table summarize the Company's Stock option activity for ESOP

Sr. No.	Particulars	For the year ended on March 31, 2013		For the Period ended on March 31, 2012	
		No. of Shares	Weighted average exercise price Rupees	No. of Shares	Weighted average exercise price Rupees
i.	Outstanding at beginning of the period	**NIL**	**NIL**	2,482,362	161.17
ii.	Granted during the period	**NIL**	**NIL**	NIL	NIL
iii.	Forfeited during the period	**NIL**	**NIL**	111,459	178.07
iv.	Exercised during the period	**NIL**	**NIL**	NIL	NIL
v.	Expired during the period	**NIL**	**NIL**	NIL	NIL
vi.	Outstanding at end of the period	**NIL**	**NIL**	2,370,903	160.29
vii.	Exercisable at the end of the period	**NIL**	**NIL**	2,370,903	160.29
viii.	Weighted average remaining contractual life (in years)	**NA**	**NA**	NA	0.02
ix.	Weighted average Intrinsic value of options granted	**NA**	**NA**	NA	NA

iii) The Company applies intrinsic–value based method of accounting for determining Employee Compensation Expenses for its ESOS. Had the Employee Compensation Expenses been determined using the fair value approach, the Company's Net Loss and basic and diluted earnings per share as reported would have reduced to the proforma amounts as indicated below:

₹ in Crores (Other than EPS)

Particulars	As at March 31, 2013	As at March 31, 2012
Net Profit/(Loss) as Reported	**(519.37)**	(400.73)
Less: Employee Compensation Expense	**NIL**	4.00
Adjusted Proforma	**(519.37)**	(396.73)
Basic Earnings per share as reported	**(35.93)**	(41.20)
Proforma Basic Earnings per share	**(35.93)**	(41.17)
Diluted Earnings per share as reported	**(35.93)**	(41.20)

The significant assumptions used during the year to estimate the fair value of the options:

Sr. No.	Particulars	2012–13	2011–12
1.	Risk–free interest rate (%)	**N.A.**	8.57
2.	Expected life (years)	**N.A.**	1–2
3.	Volatility (%)	**N.A.**	69.57
4.	Expected dividend yield (in Rupee per share)	**N.A.**	NIL
5.	The price of underlying shares in market at the time of option grant (since grant specific, varies from grant to grant) – in Rupees	**N.A.**	92.55–304.10

2.30.2 Disclosure of Employee Benefits as per Accounting Standard 15 "Employee Benefit":

A) Defined Contribution Plan ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Employer's Contribution to Provident fund	**2.64**	2.39
Employer's Contribution to Pension fund	**0.58**	0.54
Total	**3.22**	2.93

B) Defined Benefit Plan

The employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India [LIC]. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognized in same manner as gratuity.

i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation. ₹ in Crores

Particulars		Gratuity (Funded)		Compensated Absences (Unfunded)	
		April 12 To March 13	July 11 to March 12	April 12 To March 13	July 11 to March 12
Defined Benefit Obligation at beginning of the period	**(A)**	**6.77**	6.23	**2.59**	2.62
Current / past Service Cost	(B)	**1.12**	0.79	**0.74**	0.33
Current Interest Cost	(C)	**0.59**	0.40	**0.23**	0.17
Actuarial (gain) / loss	(D)	**0.04**	0.78	**(0.01)**	(0.06)
Less: Benefits paid	(E)	**1.88**	1.43	**1.62**	0.47
Defined Benefit Obligation at end of the period (A + B + C + D – E)		**6.64**	6.77	**1.93**	2.59

ii) Reconciliation of opening and closing balances of fair value of the plan assets ₹ in Crores

Particulars		Gratuity (Funded)	
		April 12 to March 13	July 11 to March 12
Fair Value of Plan asset at beginning of period	(A)	**2.05**	1.19
Expected Return on Plan Assets	(B)	**0.18**	0.09
Actuarial gain/(loss)	(C)	**0.06**	(0.35)
Contributions	(D)	**3.75**	2.55
Less: Benefits paid	(E)	**1.88**	1.43
Less: Transfer Adjustment (Net)	(F)	**0.20**	NIL
Fair Value of Plan asset at the end of period (A+B+C+D–E–F)		**3.96**	2.05

iii) Reconciliation of present value of obligations and fair value of plan assets ₹ in Crores

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	April 12 To March 13	July 11 to March 12	April 12 To March 13	July 11 to March 12
Fair Value of Plan asset at the end of Year	**3.96**	2.05	**NIL**	NIL
Present value of Defined Benefit Obligation at end of the Year	**6.63**	6.77	**1.93**	2.59
Liability/ (Asset) recognized in the Balance Sheet	**2.67**	4.72	**1.93**	2.59

iv) Expense recognized during the year ₹ in Crores

Particulars		Gratuity (Funded)		Compensated Absences (Unfunded)	
		April 12 To March 13	July 11 to March 12	**April 12 To March 13**	July 11 to March 12
Current Service Cost	(A)	**1.12**	0.79	**0.74**	0.33
Interest Cost	(B)	**0.59**	0.40	**0.23**	0.17
Expected Return on plan Assets	(C)	**(0.18)**	(0.09)	**NIL**	NIL
Actuarial (gain)/loss	(D)	**(0.04)**	1.14	**(0.01)**	(0.06)
Net Cost Recognized in Profit and Loss Account (A+B+C+D)		**1.49**	2.24	**0.96**	0.44

v) Amounts for current and previous four years are as follows: ₹ in Crores

Gratuity (Funded)	2013	2012	2011	2010	2009
Defined Benefit Obligation	**6.64**	6.77	6.23	6.10	5.13
Plan Assets	**3.96**	2.05	1.60	1.34	0.80
Surplus/(Deficit)	**(2.68)**	(4.72)	(4.62)	(4.76)	(4.33)
Experience adjustments on plan assets	**0.06**	(0.34)	(0.03)	0.00	NIL
Experience adjustments on plan liabilities	**(0.41)**	1.09	(0.10)	0.52	0.76

vi) Amounts for current and previous four years are as follows: ₹ in Crores

Compensated Absences (Unfunded)	2012–13	2011–12	2010–11	2009–10	2008–09
Defined Benefit Obligations	**1.93**	2.59	2.62	6.10	5.13
Plan Assets	**NIL**	NIL	NIL	NIL	NIL
Surplus/(Deficit)	**(1.93)**	(2.59)	(2.62)	(6.10)	(5.13)
Experience Adjustment on Plan Assets (Gain) / Loss	**NIL**	NIL	NIL	NIL	NIL
Experience Adjustment on Plan Liabilities (Gain) / Loss	**(0.01)**	1.14	(2.89)	0.33	0.12

vii) Assumptions used to determine defined benefit obligation ₹ in Crores

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	April 12 To March 13	July 11 to March 12	**April 12 To March 13**	July 11 to March 12
Discount Rate (p.a.)	**8.25%**	8.75%	**8.25%**	8.75%
Estimated rate of return on plan assets (p.a.)	**8.70%**	8.75%	**NIL**	8.75%
Expected rate of increase in salary (p.a.)	**5.50%**	5.50%	**5.50%**	5.50%

Mortality rate is as per Indian Assured Lives Mortality (2006–08) Ultimate table.

The expected rate of increase in salary for actuarial valuation is based on consideration of inflation, seniority, promotion, attrition and other relevant factors including supply and demand in the employment market. The above information is as per the certificate obtained from Actuary.

2.31 CONTINGENT LIABILITIES & COMMITMENTS:

2.31.1 Contingent Liabilities

₹ in Crores

Sr. No.	Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
i	Claims against the Company not acknowledged as debts*	**278.54**	199.89
ii	Guarantees given by Banks on behalf of the Company	**169.09**	128.54
iii	Performance Guarantees issued to banks on behalf of Subsidiaries/Associates and Affiliates	**5.00**	145.28
iv	Financial Guarantees given by the Company to Subsidiaries/Associates and Affiliates	**NIL**	18.39
v	Corporate Guarantees given by the Company for loans taken by subsidiaries / others	**580.77**	580.77
vi	Bills Discounted (Net of Insurance cover)	**NIL**	NIL
vii	Disputed Sales tax liabilities in respect of pending appeals. (Amount deposited ₹ 3.12 Cr. (₹ 2.71 Cr.)	**9.08**	109.33
viii	Disputed Income tax liabilities in respect of pending appeals (Amount deposited ₹ 0.40 Cr. (₹ 0.03 Cr.)	**0.76**	0.03
ix	Premium on Redemption of 0.01% Non–Participative Optionally Convertible Cumulative Preference Share (Refer Note No. 2.31.2)	**25.93**	NIL
x	Dividend on 0.01% Non–Participative Optionally Convertible Cumulative Preference Share	**0.03**	NIL
No cash out flow is expected in near future in respect of items stated in 2.31.1 (i to ix)			
*includes claim of ₹ 179 Cr. (₹ 179 Cr.) of Global Holding Corporation Pvt. Ltd. an Associate.			

2.31.2 The Preference shareholders of 0.01% Non–Participating Optionally Convertible Cumulative Preference Share have a right of conversion into Equity shares of the Company. The conversion right lapses on expiry of period of 18 months from the date of allotment. In case of redemption, the preference shareholders are entitled to redemption premium of 8% YTM. The right of conversion of preference shareholders is subsisting at the Balance sheet date. The contingent liability of ₹ 25.93 Cr. represents proportionate redemption premium for the period commencing from the date of allotment i.e. September 28, 2012 till March 31, 2013.

2.31.3 Commitments

i) Estimated amount of contracts remaining to be executed

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) (Cash out flow is expected on execution of such contracts on progressive basis.)	**39.58**	48.30

ii) Other Commitments

a) GTL Infrastructure Ltd. (GIL) is an associate of the Company. The Company's holding in GIL, as at Balance Sheet date is 7.38% (17.78%). As a promoter of GIL, the Company has furnished following undertakings in respect of credit facilities of ₹ 2,829 Cr. (₹ 2,829 Cr.) and Foreign Currency loan of USD 175 million (USD 175 million) then sanctioned by various lending institutions for GIL's second phase project of setting up of telecom sites.

i) The Company along with Global Holding Corporation Pvt. Ltd. (GHC) an associate shall not reduce the shareholding in GIL below 26%. The Company shall retain the management control of GIL.

ii) The Company shall bring or arrange Equity/ Preference Capital as envisaged by Phase II lenders.

iii) In case of cost overrun or shortfall, the Company shall bring and/or arrange additional capital within a period of 90 days from written demand by Creditor's Agent either in form of Equity or preference or subordinated loans.

iv) The Company shall ensure that GIL will not abandon the Project during the currency of Phase II loans.

v) The Company shall ensure that GIL is provided with requisite technical, financial and managerial expertise to perform/ discharge its obligation under the project.

b) The Company's holding in European Projects and Aviation Ltd. (EPAL) (Formerly known as Global Projects and Aviation Pvt. Ltd. (GPAL)) as at Balance Sheet date is 19% (19%). EPAL has been sanctioned Working capital line of credit of ₹ 500 Cr. (₹ 500 Cr.). The Company has furnished various undertakings for the above referred line of credit which inter alia provide as under:

i) The Company along with its associate Global Holding Corporation Pvt. Ltd. (GHC) shall not reduce the shareholding in EPAL below 51%. The Company shall retain the management control of EPAL during the tenor of credit facilities.

ii) The Company along with its associate GHC shall ensure conversion of Redeemable Preference Shares issued by EPAL in to Equity Shares or compulsorily convertible instrument or shall ensure that the same shall be redeemed out of infusion of fresh equity or compulsorily convertible instrument by the Sponsors.

iii) The Company shall contribute towards the shortfall in the funds required by EPAL to complete the projects as defined in terms and conditions of credit facilities.

c) Global Rural Netco Ltd. (GRNL) is an associate of the Company. The Company's holding as at March 31, 2013 is 42.86%. GRNL has issued fully Convertible Debentures (FCDs) of ₹ 250 Cr. (₹ 250 Cr.). The Company has furnished following undertaking for the above referred issue of fully Convertible Debenture.

i) The Company along with its associate Global Holding Corporation Pvt. Ltd. (GHC) shall not reduce its shareholding in the total paid up equity capital of GRNL below 26% and retain the management control of GRNL till the sale of the FCDs and/or the conversion of FCDs by the Investor, whichever is later.

ii) The Company along with GHC shall purchase FCDs on Put option if exercised by the Investor as per the terms detailed in the letter of Intent.

d) Chennai Network Infrastructure Ltd. (CNIL) is an associate of the Company. The Company's holding as at March 31, 2013 is 27.02%. As sponsors to CNIL, the Company along with its associates Global Holding Corporation Pvt. Ltd. and GTL Infrastructure Ltd. have agreed to hold and maintain at least 26% and to further contribute in the form of equity in future, if required to meet needs of CNIL and to replenish Debt Service Account Letter of Credit (DSRA LC), in the event DSRA LC is invoked by the lenders.

e) As at March 31, 2013 the Company has investment of US $ 5,000 in Alpha Impex International Ltd. (AIIL). In respect of the borrowing by AIIL, the Company has agreed for Put Option of US $ 35 mn equivalent to ₹ 190.33 Cr. in the event of default by AIIL.

2.32 RELATED PARTY DISCLOSURES

A. Related Parties

I. Subsidiaries

a) International Global Tele–Systems Ltd.

b) GTL International Ltd.

c) Ada Cellworks Wireless Engineering Pvt. Ltd.

II. Fellow Subsidiaries (Subsidiaries of GTL International Ltd.)

a) GTL (Singapore) Pte. Ltd.

b) GTL Saudi Arabia Company Ltd.

c) GTL Overseas (Middle East) FZ LLC.

d) GTL International Nigeria Ltd.

e) Pt. GTL Indonesia

f) GTL Europe Ltd.

g) GTL Telecommunications Ireland Ltd.

h) GTL Network Services Malaysia Sdn Bhd.

i) IGTL Network Services Philippines Inc.

j) GTL China Corporation Ltd.

k) GTL Taiwan Co. Ltd.

l) GTL (USA) Inc.

m) GTL International Lanka (Pvt.) Ltd.

n) GTL International Bangladesh Pvt. Ltd.

o) GTL Kenya Ltd.

p) GTL Tanzania Ltd.

q) GTL (Canada) Inc.

r) GTL Nepal Pvt. Ltd.

s) GTL Network Services SA (Pty) Ltd.

III. Associates

a) GTL Infrastructure Ltd.

b) Global Rural Netco Ltd.

c) Chennai Network Infrastructure Ltd.

d) Global Holding Corporation Pvt. Ltd.

IV. Name of the Key Managerial Personnel

a) Mr. Manoj Tirodkar, Chairman and Managing Director

b) Mr. Charudatta Naik, Whole–time Director (upto September 12, 2012)

c) Mr. Sukanta Kumar Roy, Whole–time Director and COO

d) Mr. Milind Bapat, Sr. Vice President – Finance

B. TRANSACTIONS WITH RELATED PARTY ₹ in Crores

Particulars	Subsidiary Companies		Fellow Subsidiaries		Associate Companies		Key Managerial Personnel	
	For the Year ended March 31, 2013	For the Year period ended March 31, 2012	For the Year ended March 31, 2013	For the Year period ended March 31, 2012	For the Year ended March 31, 2013	For the Year period ended March 31, 2012	For the Year ended March 31, 2013	For the Year period ended March 31, 2012
Sales & Services	**0.26**	7.97	**1.56**	1.22	**519.37**	393.22	**–**	–
Reimbursement Expenses from	**0.00**	0.01	**0.31**	0.64	**77.04**	58.46	**–**	–
Interest Income	**NIL**	NIL	**NIL**	NIL	**NIL**	15.45	**–**	–
Rent Received	**NIL**	NIL	**NIL**	NIL	**2.61**	1.91	**–**	–
Purchases	**NIL**	NIL	**NIL**	NIL	**NIL**	0.01	**–**	–
Reimbursement Expenses to	**0.00**	NIL	**0.01**	1.16	**347.74**	283.70	**–**	–
Claims towards Invocations of Shares	**NIL**	NIL	**NIL**	NIL	**NIL**	302.08	**–**	–
Preference Shares – Allotment	**NIL**	NIL	**NIL**	NIL	**650.00**	NIL	**–**	–
Prefrence Shares Application Money	**NIL**	NIL	**NIL**	NIL	**NIL**	650.00	**–**	–
Investment in Equity Shares	**NIL**	5.31	**NIL**	NIL	**569.36**	–	**–**	–
Investment in 0% Unsecured Compulsorily Convertible Debentures (CCDs)	**NIL**	NIL	**NIL**	NIL	**–**	569.36	**–**	–
Bank claim paid by the Company	**11.31**	208.80	**7.61**	2.55	**NIL**	NIL		
Salaries and Allowances	**–**	–	**–**	–	**–**	–	**1.94**	1.26
Contribution to Providend and Other Funds	**–**	–	**–**	–	**–**	–	**0.06**	0.06
Other Expenses	**–**	–	**–**	–	**3.65**	NIL	**–**	–
Equity Shares allotted*	**–**	–	**–**	–	**–**	–	**18.36**	NIL
Outstanding as at	**March 31, 2013**	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Deposit Received	**NIL**	NIL	**NIL**	NIL	**2.16**	2.16	**–**	–
Corporate Guarantees given	**137.50**	5.93	**18.27**	12.47	**NIL**	NIL	**–**	–
Receivables	**17.11**	14.98	**8.29**	7.14	**18.59**	93.67	**–**	–
Receivables towards Reimbursable cost/expense	**–**	–	**–**	–	**303.36**	432.73	**–**	–
Receivable towards Bank claim paid by the Company	**234.35**	208.80	**10.33**	2.55	**–**	–	**–**	–
Advances /Deposits	**NIL**	209.38	**NIL**	2.26	**3.38**	44.61	**–**	–
Payables (incl. Advance received)	**4.17**	4.67	**1.01**	1.73	**34.03**	43.65	**–**	–
ESOP Outstanding (in Numbers)	**–**	–	**–**	–	**–**	–	**NIL**	782,000

* During the year Company has allotted 18,360,835 Equity Shares of ₹ 10 each fully paid–up to Mr. Manoj Tirodkar, Promoter, on account of Conversion of Compulsorily Convertible Debentures (CCDs) pursuant to Corporate Debt Restructuring (CDR) package approved to the Company.

2.33 DISCLOSURE OF INFORMATION AS REQUIRED BY CLAUSE 32 OF LISTING AGREEMENT

a) Details of Loans or Advances in the nature of loans given to wholly owned Subsidiaries and step–down Subsidiaries.

₹ in Crores

Name of the Company	Relationship	Outstanding as at March 31,		Maximum balance during the year	
		2013	**2012**	**2013**	**2012**
GTL INTERNATIONAL BANGLADESH PVT. LTD.	100% subsidiary of GTL Europe Ltd.	**10.33**	2.26	**10.33**	2.26
GTL INTERNATIONAL LTD.	100% subsidiary of GTL Ltd.	**48.50**	35.46	**48.50**	35.46
INTERNATIONAL GLOBAL TELE–SYSTEMS LTD.	100% subsidiary of GTL Ltd.	**185.85**	173.92	**185.85**	173.92

b) None of the Subsidiaries to whom advances are given per se, have investment in the shares of the Company.

2.34 EARNINGS PER SHARE ₹ in Crores (Other than No. of Shares & EPS)

Particulars		Year ended March 31, 2013 (12 months)	Period ended March 31, 2012 (9 months)
BASIC EARNINGS PER SHARE			
Numerator for basic earnings per share			
Profit before Tax & extra–ordinary & prior period items		**(519.00)**	(385.45)
Provision for Income Tax, Deferred Tax & FBT		**(0.37)**	(15.28)
Adjustment to net earnings:			
Net Profit after Tax & Prior period item	(a)	**(519.37)**	**(400.73)**
Extra–ordinary items	(b)	**NIL**	NIL
Net Profit after Tax, Prior period & Extra–ordinary item	(c)	**(519.37)**	**(400.73)**
Denominator for basic earnings per share –			
Weighted average number of shares	(d)	**144,329,027**	97,267,833
Basic/Diluted* earnings per share without Extra–ordinary Items	e = (a) / (d)	**(35.93)**	(41.20)
Basic/Diluted* earnings per share with Extra–ordinary Items	f = (c) / (d)	**(35.93)**	(41.20)

* The effect of shares which may arise on account of conversion option available to holders of 0.01% Non–Participative Optionally Convertible Cumulative Preference Share (OCPS) has not been considered for calculation of diluted EPS since the same is anti–dilutive.

2.35 FINANCIAL AND OTHER DERIVATIVE INSTRUMENTS:

2.35.1 Derivative contracts entered into by the Company during the year is NIL and outstanding as at year end are NIL.

2.35.2 Foreign Currency exposures that are not hedged by the derivative instruments and forward contract as at March 31, 2013 for USD 305.97 mn (USD 303.41 mn)

Particulars	As at March 31, 2013 ₹ in Crores	As at March 31, 2012 ₹ in Crores	As at March 31, 2013 USD Million	As at March 31, 2012 USD Million
Payable				
1. External Commercial Borrowings	**815.70**	763.35	**150.00**	150.00
2. Import Trade Payables	**2.56**	2.80	**0.47**	0.55
3. Interest payable on ECB Loan	**8.41**	45.71	**2.45**	12.49
	826.82	811.86	**152.92**	163.04

Particulars	As at March 31, 2013 ₹ in Crores	As at March 31, 2012 ₹ in Crores	As at March 31, 2013 USD Million	As at March 31, 2012 USD Million
Receivable and Advances				
1. Export Trade Receivables	**25.29**	22.90	**4.65**	4.50
2. Advances	**262.85**	211.66	**49.00**	41.60
	288.14	234.56	**53.65**	46.10
Investments				
1. Preference Shares	**402.19**	376.51	**74.00**	74.00
2. Equity Shares	**178.05**	166.68	**32.76**	32.76
Total	**580.24**	543.19	**106.76**	106.76

2.36 SEGMENT REPORTING

Reporting as per Accounting Standard 17 based on consolidated Financial Statements is forming part Consolidated Financial Statement.

2.37 DETAILS OF ROUNDED OFF AMOUNTS

The financial statements are presented in ₹ in Cr.. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest ₹ Crore are given as follows:

Note	Description	As at March 31, 2013	As at March 31, 2012
2.2	Reserves and Surplus		
	– Capital Reserve	**7,725**	7,725
2.12	Non–Current Investment		
	The Shamrao Vithal Co–op Bank Ltd.	**625**	625
2.9	Other Current Liabilities		
	– Credit Balance in Bank Account	**NIL**	14,208

2.38 CONSOLIDATED FINANCIAL STATEMENT

Consolidated financial statements with the Auditors report thereon are attached herewith.

2.39 The Previous period figures, wherever necessary, have been regrouped/ rearranged/ recast to make them comparable with those of the current year.

2.40 Figures in brackets relate to the previous period unless otherwise stated.

2.41 Figures of current year for 12 months and hence are not comparable to previous period which was of 9 months.

As per our report of even date attached

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

For M/s. Godbole Bhave & Co.
Chartered Accountants
FRN No. 114445W

A.S. Mahajan
Partner
Membership No.100483

For M/s. Yeolekar & Associates
Chartered Accountants
FRN No. 102489W

S.S. Yeolekar
Partner
Membership No. 36398

S. K. Roy
Whole–time Director & COO

Vijay Vij
Director

Milind Bapat
Sr. Vice President – Finance

Vidyadhar Apte
Company Secretary

Mumbai
May 08, 2013

INDEPENDENT AUDITORS' REPORT

To

The Board of Directors of GTL LIMITED

We have audited the accompanying consolidated financial statements of GTL LIMITED ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Principles Generally Accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for qualified opinion

a. ***The Company has not considered in the Consolidated financial statements, the Share of Loss in its associates GTL Infrastructure Ltd. (GIL) and Chennai Networks Infrastructure Limited (CNIL) for the reason stated in Note No. 2.12.2. The non–consideration of the Share of Loss in associates is not in accordance with (AS) 23 "Accounting for Investment in Associates in Consolidated Financial Statements".***

The Company's holding as on March 31, 2013 in GIL and CNIL is 7.38% and 27.02% respectively.

The share of loss in associate GIL, which has not been considered relates to the period October 1, 2010 to December 31, 2012 and for this period GIL has a loss of ₹ 723.40 Cr. In case CNIL the Company has not considered the share of loss for the period July 19, 2010 to March 31, 2013. As informed by the management CNIL reported a loss ₹ 1,607.82 Cr. for the period July 19, 2010 to March 31, 2013.

In view of reasons stated in Note No 2.12.2, the impact of non–consideration of Share of Loss in Associates on Consolidated loss for the period ended March 31, 2013 and Earning Per Share for the period ended March 31, 2013 and carrying value in investments in Associates as on March 31, 2013 is not ascertained by the management and hence not quantified.

b. ***We invite your attention to Note No 2.12, wherein preference share application money of ₹ 54.67 Cr. has been classified as Non current Investment. As per the requirement of revised schedule VI of the Companies Act,1956 this should have been classified as Other Current Assets and accordingly to this extent Non Current Investment are shown higher and Other Current Assets are shown lower.***

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 reports of the other auditors on the financial statements of the subsidiaries as noted below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India: –

i. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

ii. in the case of the consolidated Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

iii. in the case of the consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matter

1. The Consolidated Financial Statements dealt with by this report include the financial results of the following subsidiaries and share in associate:

   Subsidiaries

   a) International Global Tele–systems Limited,

   b) GTL International Ltd. and it's subsidiaries;and

   c) Ada Cellworks Wireless Engineering Pvt. Ltd.

   Associate

   a) Global Rural Netco Limited

We have relied on the unaudited financial statements of International Global Tele–systems Limited and unaudited Consolidated Financial Statements of GTL International Ltd., whose financial statements reflect total assets of ₹ 1,546.03 Cr. as at March 31, 2013 , total revenues of ₹ 432.94 Cr. and cash out flow of ₹ 11.91 Cr. for the year then ended. These unaudited financial statements / unaudited consolidated financial statements have been certified by the management of these companies. Our opinion insofar as it relates to the amounts included in respect of these subsidiaries is based solely on unaudited financial statements / unaudited consolidated financial statements ,certified by the management, furnished to us as stated herein above.

We have been furnished audited financial statements of Ada Cellworks Wireless Engineering Pvt. Ltd. whose financial statements reflect total assets of ₹ 24.57 Cr. as at March 31, 2013, total revenues of ₹ 0.72 Cr. and cash flows of ₹ 0.08 Cr. for the year then ended. These financial statements have been audited by other auditor, whose report has been furnished to us and our opinion insofar as it relates to the amounts included in respect of the said subsidiary is based solely on audited financial statements furnished to us as stated herein above.

The company's share in associate Global Rural Netco Limited is accounted for based on unaudited financial statements which are certified by the management of that company and our opinion insofar as it relates to the amount included in respect of the share of the said associate is based solely on unaudited financial statements furnished to us as stated herein above.

2. In respect of Term Loan and Funded Interest Term Loan Liability of ₹ 20.63 Cr. payable to Standard Chartered Bank, one of the banks participating in Corporate Debt Restructuring Scheme approved by CDR Empowered Group, conformation has not been received. The Company has accounted above liability as per the terms of CDR Scheme.

3. As described in the note no. 2.15.1 in respect of amounts owed to the Company's wholly owned subsidiary International Global Tele–Systems Limited ("Subsidiary") ₹ 142.89 crores by debtors, in respect of which company's subsidiary has availed credit facility and has adequate insurance cover, the company's subsidiary has repaid ₹ 4.70 crores against the said facility. The debtors balance is net of above mentioned credit facility. The subsidiary has appointed an arbitrator to resolve the issues and recover the amount. Pending the arbitration, the subsidiary is confident that it will recover the said dues and accordingly has not provided for the same. In view of significance of this uncertainity, we consider that it should be drawn to your attention.

Our opinion is not qualified in respect of above matters.

For **Godbole Bhave & Co.**	For **Yeolekar & Associates**
Chartered Accountants	*Chartered Accountants*
A.S. Mahajan	**S.S. Yeolekar**
Partner	*Partner*
Membership No.100483	Membership No. 36398
FRN No. 114445W	FRN No. 102489W

Mumbai
May 08, 2013

Consolidated Balance Sheet as at March 31, 2013

₹ in Crores

		Note	As at March 31, 2013	As at March 31, 2012
I.	**EQUITY AND LIABILITIES**			
	SHAREHOLDER'S FUNDS			
	Share Capital	2.1	**806.96**	97.27
	Reserves and Surplus	2.2	**795.81**	1,138.86
			1,602.77	1,236.13
	Minority Interest		**0.75**	0.84
	NON–CURRENT LIABILITIES			
	Long–term borrowings	2.3	**3,120.44**	4,035.95
	Deferred tax liabilities (Net)	2.4	**2.13**	NIL
	Other Long–term liabilities	2.5	**20.64**	24.51
	Long–term provisions	2.6	**5.50**	6.78
			3,148.71	4,067.24
	CURRENT LIABILITIES			
	Short–term borrowings	2.7	**256.48**	293.08
	Trade payables (including Acceptances)	2.8	**368.19**	575.52
	Other current liabilities	2.9	**2,660.23**	2,012.73
	Short–term provisions	2.10	**3.69**	4.45
			3,288.59	2,885.78
Total			**8,040.82**	8,189.99
II.	**ASSETS**			
	NON–CURRENT ASSETS			
	Fixed assets	2.11		
	Tangible assets		**485.62**	554.37
	Intangible assets		**26.39**	42.55
	Capital work–in–progress		**106.08**	181.25
			618.09	778.17
	Non–current investments	2.12	**2,346.05**	2,329.33
	Deferred tax assets (net)	2.4	**NIL**	2.72
	Long–term loans and advances	2.13	**2,295.67**	202.17
			4,641.72	2,534.22
	CURRENT ASSETS			
	Inventories	2.14	**405.89**	431.61
	Trade receivables	2.15	**1,101.92**	1,147.57
	Cash and Cash equivalents	2.16	**143.12**	129.97
	Short–term loans and advances	2.17	**555.02**	2,477.17
	Other current assets	2.18	**575.06**	691.28
			2,781.01	4,877.60
Total			**8,040.82**	8,189.99
Significant Accounting Policies		1		
and Notes form an integral part of the financial Statements		2.1 to 2.33		

As per our report of even date

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

For M/s. Godbole Bhave & Co.
Chartered Accountants
FRN No. 114445W

A.S. Mahajan
Partner
Membership No.100483

For M/s. Yeolekar & Associates
Chartered Accountants
FRN No. 102489W

S.S. Yeolekar
Partner
Membership No. 36398

S. K. Roy
Whole–time Director & COO

Vijay Vij
Director

Milind Bapat
Sr. Vice President – Finance

Vidyadhar Apte
Company Secretary

Mumbai
May 08, 2013

Statement of Consolidated Profit and Loss for the year ended March 31, 2013

₹ in Crores

	Note	April 12 to March 13 (12 months)	July 11 to March 12 (9 months)
Revenue from operations	2.19	**2,601.32**	1,864.69
Less: Excise Duty, if any		**NIL**	NIL
		2,601.32	1,864.69
Other Income	2.20	**42.54**	49.33
Total Revenue		**2,643.86**	1,914.02
Expenses:			
Cost of Purchases	2.21	**2,009.24**	1,439.30
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	2.22	**25.54**	(32.41)
Employee benefits expenses	2.23	**296.69**	266.94
Finance Costs	2.24	**566.78**	451.93
Depreciation and amortization expense	2.11	**177.65**	101.71
Other expenses	2.25	**119.47**	124.23
Total Expenses		**3,195.37**	2,351.70
Profit/(Loss) before exceptional and extraordinary items and tax		**(551.51)**	(437.68)
Exceptional Items		**NIL**	NIL
Profit/(Loss) before extraordinary items and tax		**(551.51)**	(437.68)
Extraordinary Items			
Compensation tw Sale/Invocation of Investments		**NIL**	NIL
Loss on Sale/Invocation of Investment		**NIL**	NIL
Profit/(Loss) after extraordinary items but before tax		**(551.51)**	(437.68)
Tax expense:	2.26		
Current tax		**(0.84)**	5.99
Short Provision for Income Tax for earlier years		**(0.89)**	15.43
Deferred tax Liability/(Asset)		**4.99**	(1.72)
Profit/(Loss) from the year after Tax		**(554.77)**	(457.38)
Less: Minority Interest		**0.13**	(0.23)
Add: Share of Profit/(Loss) in associates		**0.30**	(1.46)
Profit/(Loss) for the year		**(554.34)**	(459.07)
Earnings per equity share:			
Equity shares of par Value ₹ 10/– each			
Before Extra–ordinary items			
Basic		**(37.96)**	(47.50)
Diluted		**(37.96)**	(47.50)
After Extra–ordinary items			
Basic		**(37.96)**	(47.50)
Diluted		**(37.96)**	(47.50)
Number of shares used in computing earnings per shares			
Basic		**156,957,693**	97,267,833
Diluted		**156,957,693**	149,152,067
Significant Accounting Policies	1		
and Notes form an integral part of the financial Statements	2.1 to 2.33		

As per our report of even date

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

For M/s. Godbole Bhave & Co.
Chartered Accountants
FRN No. 114445W

A.S. Mahajan
Partner
Membership No.100483

For M/s. Yeolekar & Associates
Chartered Accountants
FRN No. 102489W

S.S. Yeolekar
Partner
Membership No. 36398

S. K. Roy
Whole–time Director & COO

Vijay Vij
Director

Milind Bapat
Sr. Vice President – Finance

Vidyadhar Apte
Company Secretary

Mumbai
May 08, 2013

Consolidated Cash Flow Statement for the year ended March 31, 2013

₹ in Crores

Particulars		April 12 to March 13 (12 months)	July 11 to March 12 (9 months)
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax and extraordinary items after Minority Interest and Share of Profit of Associates:		**(551.09)**	(437.68)
Adjustments for:			
Depreciation		**177.65**	101.71
Interest and Dividend Income		**(4.11)**	(32.66)
Provision for doubtful Trade Receivables		**10.95**	8.79
Provision for doubtful advances		**NIL**	0.08
Debit/Credit balances and claims written off		**1.79**	9.15
(Profit)/Loss on sale of fixed assets		**(0.21)**	(2.99)
(Profit)/Loss on sale/redemption of Investments		**(1.89)**	(1.17)
Unrealised Exchange (Gain)/Loss		**13.88**	93.95
Employee Compensation Expenses under ESOP		**(1.20)**	0.24
Provision for Wealth Tax		**0.01**	0.01
Interest on Borrowings		**492.82**	344.74
Financial Charges		**30.55**	70.23
Operating profit before Working Capital changes		**169.15**	154.39
Adjustments for:			
Inventories		**28.28**	(38.44)
Trade Receivables		**32.84**	(302.71)
Loans and advances		**(136.86)**	(872.79)
Other Current Assets		**121.56**	6.14
Trade payables		**(210.20)**	(787.73)
Other current liabilities and provisions		**(0.50)**	(58.99)
Cash generated from operations		**4.26**	(1,900.13)
Direct taxes received/(paid)		**(20.42)**	(38.36)
Cash flow from Operating Activities		**(16.17)**	(1,938.50)
Extraordinary items:			
Extraordinary item		**NIL**	NIL
Net cash from operating activities:	**(A)**	**(16.17)**	(1,938.50)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		**(67.54)**	(89.81)
Proceeds from Sale of fixed assets		**9.57**	1.89
Capital Subsidy received		**11.39**	NIL
Purchase of Investments		**(467.02)**	(478.68)
Realisation from sale of Investments		**468.36**	342.45
Interest and Dividend Income		**(1.23)**	23.62
Net Cash Generated from/(used in) Investing Activities	**(B)**	**(46.46)**	(200.53)

₹ in Crores

Particulars		April 12 to March 13 (12 months)	July 11 to March 12 (9 months)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**15.57**	(6.71)
Increase in Borrowings		**390.21**	1,509.83
Decrease in Borrowings		**NIL**	(25.07)
Interest paid		**(319.27)**	(92.16)
Financial Charges		**(30.55)**	(70.23)
Payment of Derivatives Contracts		**NIL**	(8.50)
Net cash received from/(used in) financing activities	**(C)**	**55.96**	1,390.61
Adjustment on account of Consolidation/Translation	**(D)**	**19.82**	84.14
Net increase/(decrease) in cash and cash equivalents	**(A+B+C+D)**	**13.16**	(664.28)
Cash and cash equivalents (Opening)		**129.97**	794.25
Cash and cash equivalents (Closing)		**143.13**	129.97

(i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard – 3 Cash Flow Statement.

(ii) Figures in brackets indicate outflows.

(iii) Cash and Cash Equivalents at the end of the year include Deposits with Banks agreegating to ₹ 33.31 Cr. (Previous year ₹ 41.60 Cr.) which are pledged and also includes ₹ 1.37 Cr. (Previous Year ₹ 1.50 Cr.) towards amount payable for Unclaimed Dividend.

(iv) Following transactions since not involving cash flows are not considered in preparation of above transactions :

a) Allotment during the year of 0.01% Non–Participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 650 Cr. received in the previous period;

b) Allotment during the year of Equity Shares on account of conversion of Compulsorily Convertible Debentures (CCDs) issued to Promoter of ₹ 83.45 Cr. received in the previous period as per CDR package;

c) Allotment during the year of Equity Shares on account of conversion of Compulsorily Convertible Debentures (CCDs) issued to Lenders of ₹ 187.84 Cr. transferred from Lenders Secured Loan in the previous period as per CDR package;

d) Conversion of Investment of ₹ 569.36 Cr. in 0% Unsecured Compulsorily Convertible Debentures of Chennai Network Infrastructure Ltd into Equity Shares of the said Company;

e) CCD Application Money of ₹ 0.93 Cr. transferred from Lenders Secured Term Loan Liability as per CDR package;

(v) Previous periods figures have been regrouped/rearranged/recast wherever necessary to make them camparable with those of current year.

(vi) Figures of current year for 12 months and hence are not comparable to previous period which was of 9 months.

As per our report of even date

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

For M/s. Godbole Bhave & Co.
Chartered Accountants
FRN No. 114445W

A.S. Mahajan
Partner
Membership No.100483

For M/s. Yeolekar & Associates
Chartered Accountants
FRN No. 102489W

S.S. Yeolekar
Partner
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Whole–time Director & COO

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Director

Milind Bapat
Sr. Vice President – Finance

Vidyadhar Apte
Company Secretary

Mumbai
May 08, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 The financial statement relates to GTL Limited and its subsidiary companies (including step down Subsidiaries). The list of companies considered for consolidation and basis of consolidation is as follows.

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial year ended on
A	**International Global Tele–Systems Ltd.**	**Mauritius**	**100% subsidiary of GTL Ltd.**	**31st December**
B	**GTL International Ltd.**	**Bermuda**	**100% subsidiary of GTL Ltd.**	**31st December**
B.1	GTL (Singapore) Pte Ltd.	Singapore	100% subsidiary of GTL International Ltd.	31st December
B.2	GTL Saudi Arabia Company Ltd.	Saudi Arabia	90% subsidiary of GTL International Ltd.	31st March
B.3	GTL Overseas (Middle East) FZ LLC	UAE	100% subsidiary of GTL International Ltd.	31st December
B.4	GTL International Nigeria Ltd.	Nigeria	100% subsidiary of GTL International Ltd.	31st December
B.5	Pt. GTL Indonesia	Indonesia	100% subsidiary of GTL (Singapore) Pte Ltd.	31st December
B.6	GTL Europe Ltd.	UK	100% subsidiary of GTL International Ltd.	31st December
B.7	GTL Telecommunications Ireland Ltd.	Ireland	100% subsidiary of GTL Europe Ltd.	31st December
B.8	GTL Network Services Malaysia Sdn Bhd.	Malaysia	100% subsidiary of GTL International Ltd.	31st March
B.9	IGTL Network Services Philippines Inc.	Philippines	100% subsidiary of GTL Networks Services Malaysia Sdn Bhd	31st December
B.10	GTL China Corporation Ltd.	China	100% subsidiary of GTL Networks Services Malaysia Sdn Bhd	31st December
B.11	GTL Taiwan Co. Ltd.	Taiwan	100% subsidiary of GTL Networks Services Malaysia Sdn Bhd	31st December
B.12	GTL (USA) Inc.	USA	100% subsidiary of GTL International Ltd.	31st December
B.13	GTL International Lanka (Pvt.) Ltd.	Sri Lanka	100% subsidiary of GTL International Ltd.	31st December
B.14	GTL International Bangladesh Pvt. Ltd.	Bangladesh	100% subsidiary of GTL Europe Ltd.	31st December
B.15	GTL Kenya Ltd.	Kenya	100% subsidiary of GTL International Ltd.	31st December
B.16	GTL Tanzania Ltd.	Tanzania	100% subsidiary of GTL International Ltd.	31st December
B.17	GTL (Canada) Pvt. Inc.	Canada	100% subsidiary of GTL (USA) Inc.	31st December
B.18	GTL Nepal Pvt. Ltd.	Nepal	100% subsidiary of GTL (Singapore) Pte. Ltd.	31st December
B.19	GTL Network Services SA (Pty) Ltd.	South Africa	100% subsidiary of GTL International Ltd.	31st December
C	**Ada Cellworks Wireless Engineering Pvt. Ltd.**	**India**	**100% subsidiary of GTL Ltd.**	**31st March**

1.2 Principles of Consolidation:

a) The financial statements of the Company and its Subsidiary Companies (including step down Subsidiaries) 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 in accordance with Accounting Standard (AS – 21) "Consolidated Financial Statements".

b) In case of foreign subsidiaries, being non–integral foreign operation, revenue items are converted at weighted average rate for the Financial Year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized as the "Translation Reserve" and the same is grouped under "Reserves and Surplus".

c) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

d) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

e) Share of Minority Interest in net profit / loss of the consolidated subsidiaries for the year is identified and adjusted against the profit / loss of the group in order to arrive at the net profit / loss attributable to shareholders of the Company.

f) Share of Minority Interest in net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

g) Investment in Associate Companies is accounted under the equity method as per Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements".

h) As far as possible, the consolidated financial statements 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.

1.3 Other Significant Accounting Policies:

These are set out under "Significant Accounting Policies" as stated in the Note No. 1 of the Standalone Financial Statements of the Company.

2. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 SHARE CAPITAL

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised:		
290,000,000 (290,000,000) Equity Shares of ₹ 10 each	**290.00**	290.00
NIL (2,500,000) Preference Shares of ₹ 100 each	**NIL**	25.00
810,000,000 (NIL) Preference Shares of ₹ 10 each	**810.00**	NIL
	1,100.00	315.00
Issued, subscribed and paid–up:		
156,957,693 (97,267,833) Equity Shares of ₹ 10 each fully paid–up	**156.96**	97.27
650,000,000 (NIL) 0.01% Non–Participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid–up	**650.00**	NIL
Total	**806.96**	97.27

2.1.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the year:

₹ in Crores

Particulars	As at March 31, 2013		As at March 31, 2012	
	Nos.	Amount	Nos.	Amount
Number of Equity Shares at the beginning of the year.	**97,267,833**	**97.27**	97,267,833	97.27
Add: Allotment of Equity Shares of ₹ 10 each fully paid–up on account of Conversion of Compulsorily Convertible Debentures (CCDs) issued to Promoters and CDR Lenders under Corporate Debt Restructuring (CDR) package approved to the Company.	**59,689,860**	**59.69**	NIL	NIL
Total Number of Equity Shares at the end of the year.	**156,957,693**	**156.96**	97,267,833	97.27

2.1.2 Reconciliation of the Preference shares outstanding at the beginning and at the end of the year:

₹ in Crores

Particulars	As at March 31, 2013		As at March 31, 2012	
	Nos.	Amount	Nos.	Amount
Number of Preference Shares at the beginning of the year.	**NIL**	**NIL**	NIL	NIL
Add: Allotment of 0.01% Non–Participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid–up.	**650,000,000**	**650.00**	NIL	NIL
Total Number of Preference Shares at the end of the year.	**650,000,000**	**650.00**	NIL	NIL

2.1.3 Terms, Rights, Preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote on show of hands and in case of poll, one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member. All equity shares of the Company rank *pari passu* in all respects including the right to dividend.

In the event of winding–up of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, if any, after distribution of all preferential amounts in proportion to the numbers of shares held at the time of commencement of winding–up.

The Equity shareholders have all other rights as available to equity shareholders as per the provision of the Companies Act, 1956, read together with Memorandum of Association of the Company, as applicable.

2.1.4 Terms, Rights, Preferences and restrictions attached to 0.01% – Non–Participating Optionally Convertible Cumulative Preference Shares (OCPS):

The Company has only one class of preference shares, having face value of ₹ 10 per share. During the year, 650,000,000 (Previous Year – Nil) OCPS of ₹ 10/– each, fully paid–up, were issued to Chennai Network Infrastructure Ltd. (CNIL) against due consideration for novation of the Company's loan facility of ₹ 650 Cr. availed from ICICI Bank to CNIL, pursuant to the CDR package sanctioned to the Company and CNIL.

After the expiry of a period of 6 months from the allotment date, the OCPS may be converted into equity shares of the Company at any time at "Conversion Price", in part or in full, at the option of CNIL. Notwithstanding anything contained herein, the conversion option shall automatically lapse after the expiry of 18 months from the allotment date in accordance with applicable laws. In the event CNIL wishes to exercise the conversion option, CNIL shall provide written notice to the Company.

The OCPS carry a dividend of 0.01 % per annum, payable on a cumulative basis on the date of conversion/redemption as the case may be. Any declaration and payment of dividend shall at all times be subject to the availability of Profits and the terms of the restructuring of the debts under the Corporate Debt Restructure (CDR) Mechanism, unless otherwise agreed by the CDR Lenders. Further, in the event of inability of the Company to declare/pay dividend due to non–availability of Profits/pursuant to the terms of restructuring, the dividend will be waived by CNIL.

The "Conversion Price" shall comprise of

i. "Floor Price" determined with reference to "Relevant Date" (which shall be a date 30 (thirty) days prior to the date of Conversion Notice) in accordance with the ICDR Regulations or any other applicable regulations; and

ii. "Additional Conversion Premium" above the Floor Price as may be fixed by the Board at the time of conversion but not exceeding the Floor Price.

After the expiry of a period of 6 months from the Allotment Date, the OCPS may at the Option of the Company be redeemed, along with redemption premium at YTM of 8%, at any time prior to the expiry of 20 years from the date of the allotment of the OCPS, in part or in full, after providing a prior written notice of 30 days to CNIL. The payment of redemption premium shall at all times and always be subject to: (i) availability of distributable profits (including from sale of assets); (ii) availability of adequate reserves in the security premium account for payment of the premium; (iii) all payment obligations to the CDR Lenders by the Company having been discharged in terms of the Letter of Approval dated December 23, 2011 and other restructure documents, unless otherwise agreed upon by the CDR Lenders; and (iv) subject to CNIL being under the control of its sponsors as on date of redemption, viz. Mr. Manoj Tirodkar and Global Holding Corporation Ltd..

Other than as permitted under applicable laws, CNIL will not have a right to vote at the Company's General Meetings. CNIL also agrees to waive the right to vote in the event it waives the right to receive dividend.

In the event of winding–up of the Company, the holders of preference shares will be entitled to receive in proportion to the numbers of shares held at the time of commencement of winding–up, any of the remaining assets of the Company, if any, after distribution to all secured creditors and their right to receive monies out of the remaining assets of the Company shall be reckoned *pari passu* with other unsecured creditors, however, in priority to the equity shareholders.

The preference shareholders shall have such rights as per the provision of the Companies Act, 1956, read together with Memorandum of Association of the Company, as applicable.

2.1.5 Number of Shares reserved for issue and terms thereof:

i) During the year, the Company closed all the Employee Stock Option Schemes consequent upon cancellation/ lapse of all outstanding options in the hands of the employees. Therefore, for the period ended, there are no outstanding options in the hands of employees.

ii) During the year, the Company has allotted 0.01% – 650,000,000 Non–Participating Optionally Convertible Cumulative Preference Shares (OCPS) of the face value of ₹10/– each at par. OCPS holders have option to convert OCPS in to equity shares any time after 6 months but before 18 months of the date of allotment of OCPS at a conversion price as stated in Note No. 2.1.4 above.

iii) Against CCD application money of ₹ 0.93 Cr. outstanding as at March 31, 2013, the Company allotted 1% Compulsorily Convertible Debenture (CCD) of the face value of ₹ 100/– each to CDR lenders on April 3, 2013. These CCDs are converted into 339,088 equity shares of ₹ 10/– each on April 4, 2013.

2.1.6 The details of shareholders holding more than 5% of Equity shares in the Company

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% held	No. of Shares	% held
Global Holding Corporation Pvt. Ltd.	50,980,559	32.48%	22,480,559	23.11%
Manoj G. Tirodkar	18,599,435	11.85%	238,600	0.25%
ICICI Bank Ltd.	96,220	0.06%	28,500,000	29.30%

2.1.7 The details of shareholders holding more than 5% of Preference shares in the Company

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% held	No. of Shares	% held
Chennai Network Infrastructure Ltd.	650,000,000	100%	NIL	NIL

2.2 RESERVES AND SURPLUS

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Reserve		
Opening balance	12.84	12.84
Add: Transferred from Statement of Profit and Loss	NIL	NIL
Closing Balance	12.84	12.84
Capital Redemption Reserve		
Opening balance	8.63	8.63
Add: Transferred from Statement of Profit and Loss	NIL	NIL
Closing Balance	8.63	8.63
Securities Premium Reserve		
Opening balance	235.99	235.99
Add: On issue of Equity shares on conversion of (CCD)	211.60	NIL
Closing Balance	447.59	235.99
Debenture Redemption Reserve		
Opening balance	191.16	191.16
Add: Transferred from Statement of Profit and Loss*	NIL	NIL
Closing Balance	191.16	191.16
Employee Stock Option Outstanding		
Opening balance	1.20	1.30
Addition/(Deletion) during the Year (Refer Note No. 2.30)	(1.20)	(0.10)
	NIL	1.20
Less: Deferred Compensation Expense		
Opening balance	NIL	0.34
Addition/(Deletion) during the Year	NIL	(0.34)
	NIL	NIL
Net ESOP Reserve	NIL	1.20
General Reserve		
Opening balance	510.76	510.76
Add: Transferred from Statement of Profit and Loss	NIL	NIL
Closing Balance	510.76	510.76
Translation Reserve	(10.00)	21.91
Reserve on Consolidation	16.82	(15.97)
Balance in Statement of Profit and Loss:		
Surplus/(Deficit) Opening Balance	172.34	611.00
Add/Less: Net profit/(loss) after tax transferred from Statement of Profit and Loss	(554.34)	(459.07)
Add: Excess Provision of Dividend	NIL	18.79
Add: Dividend Distribution Tax on Excess Provision of Dividend	NIL	1.62
Surplus/(Deficit) Closing Balance	(382.00)	172.34
Total	795.81	1,138.86

*In view of Loss incurred, no Debenture Redemption Reserve in respect of Rated Redeemable Unsecured Rupee Non–convertible Debentures is created for the year ended March 31, 2013 and for the period ended March 31, 2012.

2.3 LONG–TERM BORROWINGS

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Secured Loans		
Term Loans:		
From Banks	**2,440.60**	2,438.47
Total of Secured Loan (Refer Note 2.3.1 & 2.3.2)	**2,440.60**	2,438.47
Unsecured Loans		
Debentures:		
Rated Redeemable Unsecured Rupee Non–convertible Debentures (Refer Note 2.3.2 & 2.9.1)	**460.00**	1,400.00
7% Cumulative Convertible Debentures (Refer Note 2.3.2)	**67.02**	197.48
Term Loans:		
3.5% Term Loan from Banks (Refer Note 2.3.2 & 2.3.3)	**152.82**	NIL
Total	**679.84**	1,597.48
Total of Long–Term Borrowings	**3,120.44**	4,035.95

2.3.1 Securities Offered

i) First *pari passu* charge over free–hold non– agricultural land admeasuring 296.50 Sq. Mtrs., known as Plot No. 37, part of Survey No. 36A, Mouje Pali, Sudhagad Taluka, Raigad District.

First *pari passu* charge over the Company's movable assets, both tangible and intangible and the Company's plant and machinery, tools and vehicles.

First *pari passu* charge over all rights, title, interest, benefit, claims and demands whatsoever of the Company, in, to, and/or under the Project Documents, clearances and insurance contracts.

First *pari passu* charge over all bank accounts of the Company, including the Trust and Retention Accounts (and all sub–accounts thereof), Distribution Franchisee Business Accounts

First *pari passu* charge over all monies and amounts owing to or received by or receivable by the Company, whether now existing, or at any time existing.

ii) Pledge of all investments of the Company in Equity Shares, Preference Shares and other securities in other companies.

iii) Mr. Manoj G. Tirodkar one of the promoters of the Company has extended a personal guarantee. The guarantee is limited to an amount of ₹ 394.28 Cr..

iv) Mr. Manoj G. Tirodkar and Global Holding Corporation Pvt. Ltd. promoters of the Company have executed sponsor support agreement to meet any shortfall or expected shortfall in the cash flows towards the debt servicing obligations of the Company.

v) Prior to the restructuring of Company's debts under CDR Mechanism, the Company created security on certain specified tangible assets of the Company in favour of Andhra Bank, Punjab National Bank, Union Bank of India, Vijaya Bank, IDBI Bank Limited, State Bank of Hyderabad, Bank of Baroda, UCO Bank, Indian Overseas Bank, Indian Bank, Canara Bank and Dena Bank for their respective credit facilities other than term loans, aggregating ₹ 1,572 Cr.. In terms of CDR Documents inter–alia Master Restructuring Agreement, the earlier charges are not satisfied by the Company after creation of new security as stated in (i to iv) above.

2.3.2 Maturity profile of Long–Term Borrowings and Current Maturities thereof:

a) Secured Term Loans (₹ in Crores)

Nature of facility and Rate of interest	March 14	March 15	March 16	March 17	March 18	March 19	March 20	March 21
WCTL – 11%	184.87	277.31	369.74	369.74	415.96	231.09	231.09	231.09
FITL – 2%	78.65	98.31	98.31	117.97	NIL	NIL	NIL	NIL
Total	**263.52**	**375.62**	**468.05**	**487.71**	**415.96**	**231.09**	**231.09**	**231.09**

b) Unsecured Debentures & Term Loans (₹ in Crores)

Nature of facility and Rate of interest	March 14	March 15	March 16	March 17	March 18	March 19
7% CCD	NIL	38.27	28.75	NIL	NIL	NIL
3.5% Term Loan	NIL	7.65	22.90	34.38	42.04	45.85
Rated Redeemable Unsecured Rupee Non–Convertible Debentures – 9.95%	470.00	460.00	NIL	NIL	NIL	NIL
Total	**470.00**	**505.92**	**51.65**	**34.38**	**42.04**	**45.85**

2.3.3 During the year, GTL International Ltd. (wholly owned subsidiary of the Company) has borrowed ₹ 152.82 Cr. (USD 27.96 mn) from a consortium of banks of Axis Bank, Bank of Baroda and Bank of India. This has been used to repay a part of the 7% Cumulative Convertible Debentures and interest thereon. This facility is against the receivables. There is an escrow on the bank accounts of GTL USA Inc., GTL Europe Ltd., and GTL Singapore Pte Ltd in favour of Axis Bank for the collection from debtors.

2.4 DEFERRED TAX LIABILITIES/(ASSETS) ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Related to Fixed Assets	**2.13**	(2.72)
Total	**2.13**	(2.72)

Above information pertains to Subsidiary and step–down Subsidiary Companies.

Composition of Deferred Tax Asset – Parent Company

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Relating to:		
a) Fixed Assets	**36.98**	56.78
b) Expenses where deduction is available on payment basis	**(59.12)**	(4.16)
c) Unabsorbed Depreciation	**(97.30)**	(61.90)
Total Net	**(119.44)**	(9.28)

The Company has a Deferred Tax Asset of ₹ 119.44 Cr. (₹ 9.28 Cr.) as on March 31, 2013. In the absence of reasonable certainty of sufficient future taxable income against which Deferred Tax Asset can be realized, the same is not recognised in accordance with AS 22 on Accounting for Taxes on Income issued by ICAI.

2.5 OTHER LONG–TERM LIABILITIES ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Trade payables	**18.46**	22.04
Security Deposits	**2.18**	2.47
Total	**20.64**	24.51

2.5.1 The Balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

2.6 LONG–TERM PROVISIONS ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for Employee Benefit:		
– Gratuity	**3.75**	4.45
– Leave Encashment	**1.75**	2.33
Total	**5.50**	6.78

2.7 SHORT–TERM BORROWINGS ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Loans repayable on demand:		
From Banks		
– Cash Credit – Secured*	**245.64**	245.57
– Overdraft**	**10.84**	47.51
Total	**256.48**	293.08

*For details of Securities offered in respect of cash credit facility refer Note No. 2.3.1

** Comprises of ₹ 1.18 Cr. secured by Corporate Guarantee from GTL.

2.8 TRADE PAYABLE ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Payables (Including Acceptance)	**368.19**	575.52
Total	**368.19**	575.52

2.8.1 The Balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

2.9 OTHER CURRENT LIABILITIES ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of Secured Long Term Loan from Bank	**263.51**	NIL
Current maturities of Unsecured Term Loan from Bank (Refer Note No. 2.9.1)	**23.09**	NIL
Current Maturities of Rated Redeemable Unsecured Rupee Non–Convertible Debentures(Refer Note No. 2.9.2)	**470.00**	NIL
Dues to holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures (Refer Note No. 2.9.2)	**470.00**	NIL

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Due to External Commercial Borrowing Lenders (Refer Note 2.9.3)	**815.70**	763.35
Due to Bank for Overdue Standby Letter of Credit (SBLC) (Refer Note No. 2.9.4)	**114.80**	NIL
Preference Share Application Money – Pending allotment	**NIL**	650.00
Application Money towards 1% Compulsorily Convertible Debentures (CCD)	**0.93**	271.29
Interest accrued but not due on borrowings	**20.12**	20.06
Interest accrued and due on borrowings (Refer Note 2.9.5)	**304.01**	130.01
Interest accrued and due on Others	**1.73**	3.34
Unpaid dividends	**1.61**	1.50
Capex Creditors	**2.85**	4.85
Expense Creditors	**30.22**	60.69
Provision for Expenses	**11.66**	11.46
Accrued salaries and Employee benefits	**5.08**	6.16
Withholding and other taxes payable	**31.37**	45.69
Advance from Customers	**48.96**	31.27
Security Deposit Received	**1.15**	10.89
Other Liabilities*	**43.42**	2.17
Total	**2,660.23**	2,012.73

*Includes due to employee ₹ 2.50 Cr. (₹ 1.19 Cr.)

2.9.1 The facility availed by International Global Tele–Systems Ltd. in the form of Overdraft of ₹ 23.09 Cr. is converted in to Term Loan with rate of interest of 4% p.a. to be repaid in January 2014.

2.9.2 Dues to holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures represents unpaid amount of debentures which were due for redemption in Feb 2013.

The holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures have given their consent to be part of Corporate Debt Restructuring Scheme. The Company has been in discussion with the holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures to arrive at applicable and mutually acceptable terms of restructuring. The Company expects to finalise the terms and conditions in due course. Pending restructuring, the liabilities towards holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures has been accounted in the books as per the original terms and conditions of issue of debentures.

2.9.3 External Commercial Borrowing (ECB) of USD 150 mn. availed by the Company was due for repayment in August 2011 and therefore entire amount due to ECB lenders is overdue for payment.

The Company has been in discussions with ECB Lenders to arrive at applicable and mutually acceptable terms for restructuring. These discussions have resulted in Company and ECB lenders agreeing to an indicative term sheet for obtaining approval for restructuring. The Company has received approval from the RBI to restructure ECB partially. The lenders of ECB have agreed to convert their USD debt to equivalent Rupee debt and such debt being treated on par with the other domestic Rupee debt. Accordingly these lenders have executed a Deed of Accession in March 2013. The Company is awaiting to execute an Exit Deed with all ECB lenders. Further, pending execution of Common Loan Documents the Company has accrued interest on ECB at earlier applicable rate and as per the earlier approval of the RBI.

2.9.4 The Standby letter of credit (SBLC) issued by Company's wholly owned subsidiary, International Global Tele–Systems Ltd. (IGTL) to its suppliers have not been honored by suppliers and hence are due for payment to bank. The Subsidiary Company has taken necessary steps for restructuring of these dues.

2.9.5 Interest accrued and due on borrowings comprises of

a) Overdue interest of ₹ 250.89 Cr. (₹ 105.33 Cr.) relating to the period May 2011 to February 2013 (May 2011 to February 2012) on Rated Redeemable Unsecured Rupee Non–convertible Debentures.

b) Overdue interest of ₹ 44.66 Cr. (₹ 11.48 Cr.) relating to the period for December 12, 2011 to March 19, 2013 (December 12, 2011 to March 19, 2012) on External Commercial Borrowing.

c) Overdue interest of ₹ 0.08 Cr. (₹ 2.01 Cr.) and ₹ 0.25 Cr. (₹ 0.23 Cr.) on Cash Credit and Funded Interest Term Loan respectively. Entire Interest of ₹ 0.08 Cr. due on Cash Credit facility and interest of ₹ 0.15 Cr. out of ₹ 0.25 Cr. on Funded Interest Term Loan has been paid subsequently.

d) Overdue interest of ₹ 8.13 Cr. for period June 12 to March 13 (₹ 10.37 Cr. for period July 11 to March 12) on 7% Cumulative Convertible Debenture.

2.9.6 The Company's wholly owned subsidiary International Global Tele–Systems Ltd. has availed the loan from Bank of Baroda Dubai and in respect of this facility Corporate Guarantee has been furnished by GTL Limited, the parent Company.

2.9.7 Details of Provision for Derivatives Loss (MTM) ₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Opening Balance	**NIL**	8.50
Less: Payment during the year	**NIL**	(8.50)
Closing Balance	**NIL**	NIL

2.10 SHORT TERM PROVISIONS

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
– Gratuity	**2.33**	3.29
– Leave Encashment	**0.21**	0.29
Provision for Wealth Tax (Net of Payment)	**NIL**	0.01
Provision for Fringe Benefit Tax (Net of Payment)	**0.05**	0.05
Provision for Income Tax	**1.10**	0.81
Total	**3.69**	4.45

2.10.1 Details of Provision for unexpired warrantee

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Opening Balance	**NIL**	0.49
Less: Utilization during the year	**NIL**	(0.49)
Closing Balance	**NIL**	NIL

2.11 FIXED ASSETS

₹ in Crores

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2012	For the period Additions	Sale / Adjustment	As at March 31, 2013	As at April 1, 2012	For the period Additions	Sale / Adjustment	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible Assets										
Land – Freehold	0.23	NIL	NIL	**0.23**	NIL	NIL	NIL	**NIL**	**0.23**	0.23
– Leasehold	0.74	NIL	NIL	**0.74**	NIL	NIL	NIL	**NIL**	**0.74**	0.74
Buildings (Including Leashold)	91.43	NIL	NIL	**91.43**	10.72	1.57	(0.03)	**12.26**	**79.18**	80.72
Plant and Equipments	381.80	85.86	(11.40)	**456.26**	124.55	71.39	(0.02)	**195.92**	**260.34**	257.25
Furniture and Fixtures	31.44	0.20	(0.44)	**31.20**	17.05	3.05	(0.46)	**19.64**	**11.56**	14.39
Office Equipments	22.88	5.11	(0.32)	**27.67**	11.44	1.59	(0.33)	**12.70**	**14.97**	11.44
Computers	61.88	10.20	(2.32)	**69.76**	36.01	11.63	(2.67)	**44.97**	**24.79**	25.87
Networking Assets	345.70	NIL	NIL	**345.70**	193.53	66.82	NIL	**260.35**	**85.35**	152.17
Test and Repair Equipments	26.24	0.01	NIL	**26.25**	15.88	3.14	NIL	**19.02**	**7.23**	10.36
Vehicles	2.73	0.15	NIL	**2.88**	1.53	0.15	(0.02)	**1.66**	**1.22**	1.20
SUB TOTAL (A)	**965.07**	**101.53**	**(14.48)**	**1,052.12**	**410.70**	**159.35**	**(3.97)**	**566.52**	**485.62**	**554.37**
Intangible Assets										
Networking Software	22.14	2.15	NIL	**24.29**	17.49	6.13	NIL	**23.62**	**0.67**	4.65
Other than Networking Software	76.53	NIL	NIL	**76.53**	38.63	12.17	NIL	**50.80**	**25.73**	37.90
SUB TOTAL (B)	**98.67**	**2.15**	**NIL**	**100.82**	**56.12**	**18.30**	**NIL**	**74.42**	**26.39**	**42.55**
SUB TOTAL (A + B)	**1,063.74**	**103.68**	**(14.48)**	**1,152.94**	**466.82**	**177.65**	**(3.97)**	**640.94**	**512.01**	**596.92**
Capital work–in–progress	181.25	15.65	(90.82)	**106.08**					**106.08**	181.25
TOTAL	**1,244.99**	**119.33**	**(105.30)**	**1,259.02**	**466.83**	**177.65**	**(3.97)**	**640.94**	**618.09**	**778.17**
PREVIOUS YEAR	**1,181.95**	**163.40**	**(100.35)**	**1,244.99**	**367.07**	**101.71**	**(1.96)**	**466.82**	**778.17**	**814.87**

Notes:

1. Gross block of building includes subscription towards share capital of co–operative societies amounting to ₹ 0.00/– (Previous Year ₹ 0.00/–) and leased buildngs amounting to ₹ 19.91 Cr. (Previous Year ₹ 19.91 Cr.).
2. Intangible assets include internally generated softwares of ₹ 7.27 Cr. (Previous Year ₹ 7.27 Cr.)
3. The depreciation for the year is higher by ₹ 40.36 Cr. on account of review of economic useful life of certain assets included in P&M & Networking Assets.
4. "Sale & Adjustment column" pertaining to Plant & Machinery represents adjustment on account of Capital Subsidy of ₹ 11.39 Cr. (Previous Year NIL) received during the year. Consequent upon adjustment depreciation of ₹ 0.58 Cr. (Previous Year NIL) provided on these assets has been written back.

2.12 NON–CURRENT INVESTMENT

₹ in Crores

Particulars	Numbers	As at March 31, 2013	As at March 31, 2012
Trade			
Quoted			
Equity Shares of			
Asssociates			
GTL Infrastructure Ltd. (Face Value of ₹ 10/– each)	170,226,673 (170,226,673)	**291.23**	291.23
Total of Quoted Investments in Equity Shares – Trade (A)		**291.23**	291.23
Un – quoted			
Equity Shares of			
Asssociates			
Global Rural Netco Ltd. (Face Value of ₹ 10/– each)	75,000,000 (75,000,000)	**75.00**	75.00
Chennai Network Infrastructure Ltd. (Face Value of ₹ 10/– each)	1,700,742,399 (1,068,122,000)	**1,637.48**	1,068.12
		1,712.48	1,143.12
Others			
European Projects and Aviation Ltd. (Face Value of ₹ 10/– each)	12,350,000 (12,350,000)	**53.81**	53.81
		53.81	53.81
Total of Un–quoted Investments in Equity Shares – Trade (B)		**1,766.29**	1,196.93
Preference Shares of			
Others			
0.1% Cumulative Preference Shares of Global Proserv Ltd. (Face Value of ₹ 100/– each)	13,000,000 (13,000,000)	**130.00**	130.00
0.1% Optionally convertible Preference Shares of European Projects and Aviation Ltd. (Face Value of ₹ 10/– each)	1,300,000 (1,300,000)	**13.00**	13.00
5% Redeemable Preference Shares of City Windsor Ltd. of $ 1 each	20,000,000 (20,000,000)	**109.33**	102.59
Total of Un–quoted Investments in Preference Shares – Trade (C)		**252.33**	245.59
Total of Un–quoted Investments – Trade D = (B + C)		**2,018.62**	1,442.52
Total of Investments – Trade E = (A + D)		**2,309.85**	1,733.75
Other Invesments – Non–Trade			
Un–quoted			
Equity Shares of Others			
Brickwork Ratings India Pvt. Ltd. (Face Value of ₹ 10/– each)	320,000 (320,000)	**2.00**	2.00
Alpha Impex International Ltd. (Face Value of US $ 1/– each)	5,000 (5,000)	**0.02**	0.02
The Shamrao Vithal Co–operative Bank Ltd. (Face Value of ₹ 25/– each)	25 (25)	**0.00**	0.00
Total of Un–quoted Investments in Equity Shares – Non Trade (F)		**2.02**	2.02
0% Unsecured Compulsorily Convertible Debentures (G)			
Chennai Network Infrastructure Ltd. (Face Value of ₹ 100/– each)	NIL (56,935,836)	**NIL**	569.36
Total of Investments – Non–trade H = (F + G)		**2.02**	571.38

Particulars	Numbers	As at March 31, 2013	As at March 31, 2012
Investment in Limited Liability Partnership – I			
Corpxcel Advisory LLP		**0.05**	0.05
Total Investments J = (E + H + I)		**2,311.92**	2,305.18
Preference Share Application Money			
5% Redeemable Preference Shares of Global Infrastructure Services Ltd. of $ 1 each	10,000,000 (10,000,000)	**54.67**	51.30
Less: Share of Loss of Investment in Associates (GTL Infrastructure Ltd. And Global Rural Netco Ltd.)		**(20.54)**	(27.15)
Net Investment (Net of Share of Loss of Investment in Associates)		**2,346.05**	2,329.33

2.12.1 For basis of valuation Refer Point No. 7 of Note No. 1 "Significant Accounting Policy"

2.12.2 Investments in Associates in Consolidated Financial Statement (CFS)

The detail of Company's holding in its associates as at March 31, 2013 is as follows:

Name of the Asscoicate	% Holding as at March 31, 2013
GTL Infrastructure Ltd.	**7.38%**
Chennai Network Infrastructure Ltd.	**27.02%**
Global Rural Netco Ltd.	**42.86%**

The Company's share in Associate, Global Rural Netco Ltd. is accounted for based on un–audited financial results for the period ended March 31, 2013. The Company has as at March 31, 2013 investments in GTL Infrastructure Ltd. (GIL) of ₹ 291.23 Cr. and in Chennai Network Infrastructure Ltd. (CNIL) of ₹ 1,637.48 Cr.. GIL and CNIL have filed requisite merger petitions with high court of judicature at Bombay and Madras. The proposed merger of CNIL with GIL has been approved by Hon'ble Mumbai High Court and is pending for approval from Hon'ble Madras High court.

The proposed merger is effective from august 1, 2010 and will have impact on the Company's share in associates. In order to give appropriate financial impact, the share in associate in the resulting merged entity will be accounted post–merger.

2.13 LONG–TERM LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Advance to Suppliers (Refer Note No. 2.13.1)	**1,436.79**	NIL
Capital Advances	**120.05**	120.05
Security Deposits	**5.07**	6.26
Other Advances (Refer Note No. 2.13.2)	**733.76**	75.86
Total	**2,295.67**	202.17

2.13.1 The Company had opportunities of execution of contracts for rollout of telecom sites from BSNL Mega Tender, Arrangement with Aircel for construction of 20,000 telecom sites. The said opportunities could not materialize due to reasons beyond the control of the management. The situation has further aggravated in view of cancellation of 122 2G telecom licenses & slow down into telecom sector. The Company has made advances for procurement of material to execute various telecom projects including above.

In view of the reason stated above, the management has deferred the plan to procure material against these advances to future period, which will depend on the telecom industry scenario. Hence, as per requirement of Revised Schedule VI, these advances have been grouped under "Long Term Loans and Advances", which in previous year were grouped under "Short Term Loans and Advances".

2.13.2 Other Advances includes ₹ 234.90 Cr. relating to GTL Ltd. (Holding Company) which were grouped under "Short Term Loans and Advances" in the previous year. The Company is in discussion & negotiation with these parties and these advances are expected to be realized over a period and accordingly, these advances have been grouped under "Long Term Loans and Advances" as per requirement of Revised Schedule VI.

2.14 INVENTORIES

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Stock–in–trade held for trading	**332.58**	382.64
Work in Progress	**64.40**	39.98
Stores and Spares	**1.20**	1.76
Consumables	**7.71**	7.23
Total	**405.89**	431.61

2.14.1 For basis of valuation – Refer Point No. 8 of Note No. 1 "Significant Accounting Policies"

2.15 TRADE RECEIVABLES (UNSECURED) – NET OF BILL DISCOUNTING

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Debts outstanding for a period exceeding six months (From the due date of the payment)		
Considered good	**825.68**	948.16
Considered doubtful	**13.79**	6.38
Less: Allowance for Doubtful Trade Receivables	**(13.79)**	(6.38)
Sub–total	**825.68**	948.16
Other debts		
Considered good	**276.24**	199.41
Total	**1,101.92**	1,147.57

2.15.1 In respect of amounts owed to the Company's wholly owned subsidiary International Global Tele–Systems Limited ("Subsidiary") ₹ 142.89 Cr. by debtors, in respect of which company's subsidiary has availed credit facility and has adequate insurance cover, the company's subsidiary has repaid ₹ 4.70 Cr. against the said facility. The debtors balance is net of above mentioned credit facility.

The Subsidiary has appointed an arbitrator to resolve the issues and recover the amount. Pending the arbitration, the subsidiary is confident that it will recover the said dues and accordingly has not provided for the same.

2.15.2 The Balances of Trade Receivables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

2.16 CASH AND BANK BALANCES

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
1) Cash & Cash Equivalents		
a) Balance with Banks – Scheduled Bank	**54.68**	41.52
b) Balance with Banks – international Banks of subsidiaries	**27.37**	43.41
c) Cash on Hand	**1.69**	1.96
d) Cheques in Hand (Since Realised)	**20.33**	NIL
2) Earmarked Balances with Bank	**1.37**	1.50
3) Balances with Bank held as margin money*	**37.68**	41.58
Total	**143.12**	129.97

*Includes ₹ 0.56 Cr. (₹ 1.30 Cr.) having maturity after 12 months.

2.17 SHORT TERM LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Loans and Advances		
i) Associates	**3.38**	4.01
ii) Others (Refer Note No. 2.13.2)	**NIL**	234.90
Deposits	**42.09**	13.55
Less: Provision for doubtful Deposits	**(0.41)**	(0.33)
Deposits considered good	**41.68**	13.22
Advance Income Tax and Tax Deducted at source (Net of provision)	**63.14**	40.86
Prepaid Expenses	**11.79**	30.18
Input Tax Recoverable	**18.40**	19.47
Advance to Suppliers (Refer Note No. 2.13.1)	**398.55**	2,124.18
Less: Provision for doubtful Advance to Suppliers	**(0.28)**	(0.28)
Advance to Suppliers considered good	**398.27**	2,123.90
Loans and Advances to employees	**4.12**	2.60
Less: Provision for doubtful Loans and Advances to employees	**(0.73)**	0.71
Loans & Advances to employees considered good	**3.39**	1.89
Others	**14.97**	8.74
Total	**555.02**	2,477.17

2.18 OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Unbilled Revenue	**165.02**	180.59
Receivable towards reimbursable cost/expense	**32.17**	130.65
Receivable towards Invocation of Investment (refer Note No. 2.18.1)	**250.19**	251.62
Compensation towards Invocation of Investment (refer Note No. 2.18.1)	**50.46**	50.46
Interest Receivables	**26.79**	28.96
Others	**50.43**	49.00
Total	**575.06**	691.28

2.18.1 In terms of the Non–Disposal Undertaking–cum–Escrow Agreement with POA, the Company, offered 27.37 Cr. shares held in GTL Infrastructure Ltd. (GIL) as security to IFCI Limited (IFCI) for their financial assistance of ₹ 250 Cr. to Chennai Network Infrastructure Ltd. (CNIL). IFCI had created pledge on these shares on July 13, 2011 and issued a No Dues Certificate to CNIL on July 22, 2011.

The Company has contested this appropriation and by an order dated August 29, 2011 of the Hon'ble Delhi High Court, IFCI was reverted to the position of a pledgee and continued to be a lender in CNIL. IFCI has challenged this order and presently the matter is sub–judice.

The Company & IFCI entered into a settlement and resultantly IFCI has agreed to return the GIL shares pledged with it. Accordingly, the Company made an application to SEBI under SEBI Substantial Acquisition of Shares and Takeovers, Regulations 2011 thereby seeking exemption from making an open offer consequent upon the return of GIL pledged shares to the Company and received the required approval on April 25, 2013. Pending completion of formalities, the shares are yet to be returned to the Company by IFCI.

The Company has written down the value of these investments & continues its claim on CNIL equal to the book value of its investment in shares of GIL appropriated by IFCI.

2.19 REVENUE FROM OPERATIONS

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Sale of Products		
Telecom Products	**128.00**	236.76
Power Management	**20.37**	17.58
Sale of Services		
Telecom Services	**412.93**	288.17
Power Management Services	**18.53**	22.00
Revenue from Turnkey Projects		
Telecom Projects	**7.33**	13.44
Revenue from Power Distribution Business	**984.65**	622.44
Revenue from Energy Management Business	**1,029.50**	663.77
Other Operating Revenues	**0.01**	0.53
Total	**2,601.32**	1,864.69

2.20 OTHER INCOME

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Interest Income		
Interest – Bank Deposits	**3.68**	9.05
Interest– Others	**0.42**	19.83
Dividend on Non–trade investments	**0.01**	3.78
Profit on sale of Current Investments (Net)	**1.89**	1.17
Gain on Foreign Currency Transactions (Net)	**29.39**	0.70
Lease and Rent Income	**2.70**	6.66
Profit on sale of Fixed Assets (Net)	**0.21**	2.99
Other Non–Operating Income	**4.24**	5.15
Total	**42.54**	49.33

2.21 COST OF PURCHASES/SERVICES

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Purchase of Stock–in–Trade		
Telecom Products	**172.05**	249.01
Power Management	**24.25**	14.75
Total of Purchase of Stock in Trade	**196.30**	263.76
Purchase of Material (Other than for trade) and Services		
Energy Input Cost – (Franchisee Business)	**934.30**	578.16
Electricity, Diesel cost for Energy Management	**780.33**	541.05
Sub–Contractor Charges	**41.96**	21.78
Vehicle Hire Charges – Projects	**14.75**	33.82
Hire Charges – Network Equipment	**41.60**	0.73
Total of Purchase of Material (Other than for trade) and Services	**1,812.94**	1,175.54
Total	**2,009.24**	1,439.30

2.22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK–IN–PROGRESS AND STOCK–IN–TRADE

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Decrease/(Increase) in Inventory		
Work–in–Progress	**(24.28)**	(23.86)
Stock–in–trade	**49.73**	(10.26)
Spares and Consumables	**0.09**	1.71
Total	**25.54**	(32.41)

2.23 EMPLOYEE BENEFIT EXPENSES

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Salaries	**201.91**	171.60
Contribution to Provident and Other Funds	**5.68**	5.13
Staff Welfare Expenses	**10.89**	9.89
Employee Compensation Expense under ESOP	**(1.20)**	0.24
Outsourced Manpower Cost	**79.41**	80.08
Total	**296.69**	266.94

2.24 FINANCE COSTS

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Interest on Borrowings	**492.82**	344.74
Other Borrowing costs	**30.55**	70.24
Exchange difference to the extent considered as an adjustment to Borrowing Cost	**43.41**	36.95
Total	**566.78**	451.93

2.25 OTHER EXPENSES

₹ in Crores

Particulars		April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Consumption of Stores and Spares (Refer Note No. 2.25.1)		**0.52**	0.78
Communication Expenses		**6.97**	8.53
Advertisement Expenses		**0.41**	2.74
Business Promotion Expenses		**4.00**	5.29
Discounts and Commission		**11.31**	6.59
Freight Charges		**0.05**	0.01
Rates and Taxes [including Wealth tax]		**1.41**	3.81
Rent		**10.97**	11.42
Electricity Charges		**3.72**	2.69
Insurance		**2.97**	2.91
Legal and Professional Fees		**10.72**	15.13
Travelling and Conveyance Expenses		**8.82**	26.09
Director's Sitting Fees		**0.06**	0.05
Auditor's Remuneration		**1.24**	1.56
Repairs and Maintenance – Buildings		**0.06**	0.10
Repairs and Maintenance–Plant and Machinery		**1.32**	0.01
Repairs and Maintenance – Others		**6.97**	6.75
Provision for Doubtful Trade Receivables	11.68		
Bad Debts Written off	3.04		
Provision Written back	(3.77)	**10.95**	8.79
Net (Gain)/Loss on Foreign Currency Transactions		**NIL**	(1.71)
Other Expenses		**37.00**	22.69
Total		**119.47**	124.23

2.25.1 Details of Consumption of Stores and Spares

Particulars	April 12 – March 13		July 11 – March 12	
	₹ in Crores	%	₹ in Crores	%
Indigenous Goods	**0.52**	**100%**	0.78	100%
Imported Goods	**NIL**	**NIL**	NIL	NIL

2.25.2 Prior Period Items:

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
1. Income		
Sales and Services	**NIL**	2.79
2. Expenses		
Cost of Sales and Services	**NIL**	0.08
Professional & Consultancy Charges	**0.43**	NIL
Interest and Finance Charges	**NIL**	(0.01)
Total	**0.43**	2.86

Prior period items are considered in the respective line items as stated above.

2.26 TAX EXPENSE

₹ in Crores

Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
Income Tax	**(0.84)**	5.99
Less: MAT Credit entitlement	**NIL**	NIL
Net Current Income Tax	**(0.84)**	5.99
Short Provision for Income tax for earlier years	**(0.89)**	15.43
Deferred taxes	**4.99**	(1.72)
Total	**3.26**	19.70

2.27 CONTINGENT LIABILITIES AND COMMITMENTS:

2.27.1 Contingent Liabilities

₹ in Crores

Sr. No.	Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
i	Claims against the Company not acknowledged as debts*	**278.54**	199.89
ii	Guarantees given by Banks on behalf of the Company and its Subsidiaries including step–down subsidiaries	**171.13**	128.54
iii	Performance Guarantees issued to banks on behalf of Subsidiaries/ Associates and Affiliates	**5.00**	145.28
iv	Financial Guarantees given by the Company to Subsidiaries/Associates and Affiliates	**NIL**	18.39
v	Corporate Guarantees given by the Company for loans taken by subsidiaries/others	**581.95**	581.95
vi	Bills Discounted (Net of Insurance cover)	**NIL**	NIL

₹ in Crores

Sr. No.	Particulars	April 12 – March 13 (12 Months)	July 11 – March 12 (9 Months)
vii	Disputed Sales tax liabilities in respect of pending appeals. (Amount deposited ₹ 3.12 Cr. (₹ 2.71 Cr.))	**9.08**	109.33
viii	Disputed Income tax liabilities in respect of pending appeals (Amount deposited ₹ 0.40 Cr. (₹ 0.03 Cr.))	**0.76**	0.03
ix	Premium on Redemption of 0.01% Non–Participative Optionally Convertible Cumulative Preference Share (Refer Note No. 2.27.2)	**25.93**	NIL
x	Dividend on 0.01% Non–Participative Optionally Convertible Cumulative Preference Share	**0.03**	NIL
No cash out flow is expected in near future in respect of items stated in 2.27 (i to ix)			
*includes claim of ₹ 179 Cr. (₹ 179 Cr.) of Global Holding Corporation Pvt. Ltd. an Associate.			

2.27.2 The Preference shareholders of 0.01% Non–Participating Optionally Convertible Cumulative Preference Share have a right of conversion into Equity shares of the Company. The conversion right lapses on expiry of period of 18 months from the date of allotment. In case of redemption, the preference shareholders are entitled to redemption premium of 8% YTM. The right of conversion of preference shareholders is subsisting at the Balance sheet date. The contingent liability of ₹ 25.93 Cr. represents proportionate redemption premium for the period commencing from the date of allotment i.e. September 28, 2012 till March 31, 2013.

2.27.3 Commitments

i) Estimated amount of contracts remaining to be executed

₹ in Crores

Particulars	As at March 31, 2013	As at March 31, 2012
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) (Cash out flow is expected on execution of such contracts on progressive basis.)	**39.58**	48.30

ii) Other Commitments

a) GTL Infrastructure Ltd (GIL) is an associate of the Company. The Company's holding in GIL, as at Balance Sheet date is 7.38% (17.78%). As a promoter of GIL, the Company has furnished following undertakings in respect of credit facilities of ₹ 2,829 Cr. (₹ 2,829 Cr.) and Foreign Currency loan of USD 175 million (USD 175 million) then sanctioned by various lending institutions for GIL's second phase project of setting up of telecom sites.

i) The Company along with Global Holding Corporation Pvt. Ltd. (GHC) an associate shall not reduce the shareholding in GIL below 26%. The Company shall retain the management control of GIL.

ii) The Company shall bring or arrange Equity/ Preference Capital as envisaged by Phase II lenders.

iii) In case of cost overrun or shortfall, the Company shall bring and/or arrange additional capital within a period of 90 days from written demand by Creditor's Agent either in form of Equity or preference or subordinated loans.

iv) The Company shall ensure that GIL will not abandon the Project during the currency of Phase II loans.

v) The Company shall ensure that GIL is provided with requisite technical, financial and managerial expertise to perform/discharge its obligation under the project.

b) The Company's holding in European Projects and Aviation Ltd. (EPAL) (Formerly known as Global Projects and Aviation Pvt. Ltd. (GPAL)) as at Balance Sheet date is 19% (19%). EPAL has been sanctioned Working capital line of credit of ₹ 500 Cr. (₹ 500 Cr.). The Company has furnished various undertakings for the above referred line of credit which inter alia provide as under:

i) The Company along with its associate Global Holding Corporation Pvt. Ltd. (GHC) shall not reduce the shareholding in EPAL below 51%. The Company shall retain the management control of EPAL during the tenor of credit facilities.

ii) The Company along with its associate GHC shall ensure conversion of Redeemable Preference Shares issued by EPAL in to Equity Shares or compulsorily convertible instrument or shall ensure that the same shall be redeemed out of infusion of fresh equity or compulsorily convertible instrument by the Sponsors.

iii) The Company shall contribute towards the shortfall in the funds required by EPAL to complete the projects as defined in terms and conditions of credit facilities.

c) Global Rural Netco Ltd. (GRNL) is an associate of the Company and the Company's holding as at March 31, 2013 is 42.86%. GRNL has issued fully convertible Debenture (FCDs) of ₹ 250 Cr. (₹ 250 Cr.). The Company has furnished following undertaking for the above referred issue of fully Convertible Debenture.

i) The Company along with its associate Global Holding Corporation Pvt. Ltd. (GHC) shall not reduce its shareholding in the total paid up equity capital of GRNL below 26% and retain the management control of GRNL till the sale of the FCDs and/or the conversion of FCDs by the Investor, whichever is later.

ii) The Company along with GHC shall purchase FCDs on Put option if exercised by the Investor as per the terms detailed in the letter of Intent.

d) Chennai Network Infrastructure Ltd. (CNIL) is an associate of the Company. The Company's holding as at March 31, 2013 is 27.02%. As sponsors to CNIL, the Company along with its associates Global Holding Corporation Pvt. Ltd. and GTL Infrastructure Ltd. have agreed to hold and maintain at least 26% and to further contribute in the form of equity in future, if required to meet needs of CNIL and to replenish Debt Service Account Letter of Credit (DSRA LC), in the event DSRA LC is invoked by the lenders.

e) As at March 31, 2013 the Company has investment of US$ 5,000 in Alpha Impex International Ltd. (AIIL). In respect of the borrowing by AIIL, the Company has agreed for Put Option of US $ 35mn equivalent to ₹ 190.33 Cr. in the event of default by AIIL.

2.28 RELATED PARTY DISCLOSURES

A Related Parties

I Associates

a) GTL Infrastructure Ltd.

b) Global Rural Netco Ltd.

c) Chennai Network Infrastructure Ltd.

d) Global Holding Corporation Pvt. Ltd.

II Name of the Key Managerial Personnel

a) Mr. Manoj Tirodkar, Chairman and Managing Director

b) Mr. Charudatta Naik, Whole–time Director (upto September 12, 2012)

c) Mr. Sukanta Kumar Roy, Whole–time Director and COO

d) Mr. Milind Bapat, Sr. Vice President – Finance

B. Transactions with Related Party

₹ in Crores

Particulars	Associate Companies		Key Managerial Personnel	
	For the Year ended March 31, 2013	For the period ended March 31, 2012	For the Year ended March 31, 2013	For the period ended March 31, 2012
Sales & Services	**519.37**	393.22	**–**	–
Reimbursement Expenses from	**77.04**	58.46	**–**	–
Interest Income	**NIL**	15.45	**–**	–
Rent Received	**2.61**	1.91	**–**	–
Purchases	**NIL**	0.01	**–**	–
Reimbursement Expenses to	**347.74**	283.70	**–**	–
Claims towards Invocations of Shares	**NIL**	302.08	**–**	–
Preference Shares – Allotment	**650.00**	NIL	**–**	–
Prefrence Shares Application Money	**NIL**	650.00	**–**	–
Investment in Equity Shares	**569.36**	–	**–**	–
Investment in 0% Unsecured Compulsorily Convertible Debentures (CCDs)	**–**	569.36	**–**	–
Salaries and Allowances	**–**	–	**1.94**	1.26
Contribution to Providend and Other Funds	**–**	–	**0.06**	0.06
Other Expenses	**4.65**	NIL	**–**	–
Equity Shares allotted*	**–**	–	**18.36**	NIL
Outstanding as at	**March 31, 2013**	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Deposit Received	**2.16**	2.16	**–**	–
Corporate Guarantees given	**NIL**	NIL	**–**	–
Receivables	**19.90**	93.67	**–**	–
Receivables towards Reimbursable cost / expense	**332.82**	432.73	**–**	–
Advances /Deposits	**3.38**	44.61	**–**	–
Payables (incl. Advance received)	**34.03**	43.65	**–**	–
ESOP Outstanding (in Numbers)	**–**	–	**NIL**	782,000

* During the year Company has allotted 18,360,835 Equity Shares of ₹ 10 each fully paid up to Mr. Manoj Tirodkar, Promoter, on account of Conversion of Compulsorily Convertible Debentures (CCDs) persuant to Corporate Debt Restructuring (CDR) package approved to the Company.

2.29 EARNINGS PER SHARE

Particulars		Year ended March 31, 2013 (12 months)	Period ended March 31, 2012 (9 months)
BASIC EARNINGS PER SHARE			
Numerator for basic earnings per share			
Profit before Tax & extra–ordinary & prior period items		**(551.51)**	(437.68)
Provision for Income Tax, Deferred Tax & FBT		**(3.26)**	(19.70)
Adjustment to net earnings:			
Prior Period Adjustment			
Minority Interest		**0.13**	(4.59)
Share of Profit / (Loss) in associates		**0.30**	(0.01)
Net Profit after Tax & Prior period item	(a)	**(554.34)**	(461.99)
Extra–ordinary items	(b)	**NIL**	NIL
Net Profit after Tax,Prior period & Extra–ordinary item	(c)	**(554.34)**	(461.99)
Denominator for basic earnings per share –			
Weighted average number of shares	(d)	**144,329,027**	97,267,833
Basic / Diluted* earnings per share without Extra–ordinary Items	e = (a) / (d)	**(37.96)**	(47.50)
Basic / Diluted* earnings per share with Extra–ordinary Items	f = (c) / (d)	**(37.96)**	(47.50)

The effect of shares which may arise on account of conversion option available to holders of 0.01% Non–Participative Optionally Convertible Cumulative Preference Share (OCPS) has not been considered for calculation of diluted EPS since the same is anti–dilutive**.**

2.30 SEGMENT INFORMATION

In terms of Accounting Standard 17 on Segment Reporting, the Company has two reporting segments i.e. Network Services & Power Management.

Geographical revenues are segregated based on the location of the respective clients. USA includes specific billing in United States of America, Asia/Europe comprises all Asian countries including India and Europe includes continental Europe (both east and the west) and the United Kingdom; Middle East and others include all other places except those mentioned above.

₹ in Crores

Particulars	2012–2013	2011–2012
Segment Revenue		
1. Network Services	**1,572.59**	1,202.67
2. Power Management	**1,028.73**	662.02
Total Segment Revenue	**2,601.32**	1,864.69
Segment Results (Profit Before Interest And Tax)		
1. Network Services	**12.00**	2.14
2. Power Management	**(12.07)**	3.20
Sub–Total	**(0.07)**	5.34
Less: Interest Expenses (Net–off Interest Income)	**566.78**	451.93
Less: Un–allocable Corporate Expenditure net of income	**(15.35)**	(8.91)
Profit / (Loss) before Tax	**(551.50)**	(437.68)
Capital Employed (Segment Assets Less Segment Liabilities)		
1. Network Services	**4,140.63**	3,604.26
2. Power Management	**107.45**	123.11
Total Capital Employed in the segments	**4,248.09**	3,727.37
Un–allocable Corporate Assets Less Liabilities.		
– Investments	**2,346.05**	2,329.33
– Other Than Investment	**870.61**	1,176.20
Total Capital Employed	**7,464.74**	7,232.90

Notes:

I Segments have been identified in accordance with Accounting Standard (AS) 17 on Segment Reporting, considering risk / return profiles of the business, their organizational structure and the internal reporting system.

II Segment Definition: Network Services comprises of Network Planning & Design, Network Deployment, Professional Services, Energy Management, Operational and Maintenance and Infrastructure Management. “Power Management” comprises Power Project – EPC and Power Distribution Franchise.

Iil Segment Revenue comprises of sales and services and operational income allocable specifically to a segment. Un–allocable expenditure mainly includes expenses incurred on common services provided to segments and other corporate expenses.

Geographical Segment ₹ in Crores

Particulars	USA	Asia / Europe	Middle East	Others	Total
Sales & Services (Apr’12 to Mar’13 – 12 Months)	121.81	2,385.39	64.13	29.99	2,601.32
Sales & Services (Jul’11 to Mar’12 – 9 Months)	16.18	1,819.02	18.43	11.06	1,864.69

2.31 DETAILS OF ROUNDED OFF AMOUNTS

The financial statements are presented in ₹ in Cr. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest ₹ Cr. are as follows:

Note	Description	**As at March 31, 2013**	As at March 31, 2012
2.12	Non–Current Investment		
	The Shamrao Vithal Co–op Bank Ltd	**625**	625
2.9	Other Current Liabilities		
	– Credit Balance in Bank Account	**NIL**	14,208

2.32 The Previous period figures, wherever necessary, have been regrouped/rearranged/recast to make them comparable with those of the current year.

2.33 Figures in brackets relate to the previous period unless otherwise stated.

2.34 Figures of current year for 12 months and hence are not comparable to previous period which was of 9 months.

As per our report of even date

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

For M/s. Godbole Bhave & Co.
Chartered Accountants
FRN No. 114445W

A.S. Mahajan
Partner
Membership No.100483

For M/s. Yeolekar & Associates
Chartered Accountants
FRN No. 102489W

S.S. Yeolekar
Partner
Membership No. 36398

S. K. Roy
Whole–time Director & COO

Vijay Vij
Director

Milind Bapat
Sr. Vice President – Finance

Vidyadhar Apte
Company Secretary

Mumbai
May 08, 2013

Section 212(8) of Companies Act, 1956 for the financial year ended on March 31, 2013
All figures are in the functional currency stated against the Company

Sr. No.	Name of the Susbsidary Company	Currency	Capital	Reserves	Total Liabilities	Total Assets	Details of Invesment	Turnover	Profit before tax	Provision for taxation	Profit after Tax	Proposed dividend, if any
A	**International Global Tele–Systems Ltd.**	USD	71,762,615	58,452,755	139,767,002	109,767,002	20,000,000	7,800,000	(2,190,844)	NIL	(2,190,844)	NIL
B	**GTL International Ltd.**	USD	8,000,000	37,060,420	109,571,909	109,571,909	NIL	9,527,423	21,285,075	NIL	21,285,075	NIL
B.1	GTL (Singapore) Pte Ltd.	USD	300,883	3,593,317	4,311,424	4,311,424	NIL	71,582	(795,399)	NIL	(795,399)	NIL
B.2	GTL Saudi Arabia Company Ltd.	SAR	2,000,000	2,152,126	30,921,715	30,921,715	NIL	28,916,750	(1,985,709)	14,400	(2,000,109)	NIL
B.3	GTL Overseas (Middle East) FZ LLC	AED	500,000	52,385,849	58,812,603	58,812,603	NIL	11,590,731	(2,157,143)	NIL	(2,157,143)	NIL
B.4	GTL International Nigeria Ltd.	USD	78,125	(644,862)	3,430,896	3,430,896	NIL	2,669,368	(92,703)	NIL	(92,703)	NIL
B.5	Pt. GTL Indonesia	IDR	1,652,817,614	(51,199,852,626)	9,905,823,533	12,206,361,088	NIL	17,189,062,508	363,977,936	350,768,751	13,209,185	NIL
B.6	GTL Europe Ltd.	GBP	500,000	424,063	2,943,354	2,943,354	NIL	7,662,421	75,590	NIL	75,590	NIL
B.7	GTL Telecommunications Ireland Ltd.	EUR	1	(203,476)	6,309	6,309	NIL	65,000	(2,178)	NIL	(2,178)	NIL
B.8	GTL Network Services Malaysia Sdn. Bhd.	MYR	629,032	39,867,260	50,508,996	50,508,996	NIL	NIL	1,454,715	NIL	1,454,715	NIL
B.9	IGTL Network Services Philippines Inc.	Peso	504,300	2,846,963	36,309,601	36,309,601	NIL	48,202,378	9,240,783	2,577,297	6,663,486	NIL
B.10	GTL China Corporation Ltd.	RMB	1,241,505	403,650	2,692,795	2,692,795	NIL	NIL	(904,540)	NIL	(904,540)	NIL
B.11	GTL Taiwan Co. Ltd.	NTD	5,000,000	(29,539,133)	143,035,685	143,035,685	NIL	NIL	64,154	NIL	64,154	NIL
B.12	GTL (USA) Inc.	USD	3,100,100	(3,487,516)	13,358,616	13,358,616	NIL	18,233,835	(1,447,759)	NIL	(1,447,759)	NIL
B.13	GTL International Lanka (Pvt.) Ltd.	SLR	4,850,000	(307,288,429)	123,167,129	123,167,129	NIL	212,768,426	(43,344,760)	NIL	(43,344,760)	NIL
B.14	GTL International Bangladesh Pvt. Ltd.	BDT	3,570,000	(1,771,885)	305,311,273	305,311,273	NIL	185,801,066	(15,846,702)	969,738	(16,816,440)	NIL
B.15	GTL Kenya Ltd.	KES	100,000	30,455,136	218,146,522	218,146,522	NIL	149,599,187	(44,338,059)	NIL	(44,338,059)	NIL
B.16	GTL Tanzania Ltd.	TSH	1,000,000	170,456,875	654,828,917	654,828,917	NIL	508,475,794	(68,335,901)	(16,801,383)	(51,534,518)	NIL
B.17	GTL (Canada) Inc.	CAD	100	113,067	329,620	329,620	NIL	525,285	19,330	9,702	9,628	NIL
B.18	GTL Nepal Pvt. Ltd.	NPR	19,453,000	214,461,475	589,129,648	589,129,648	NIL	727,821,426	123,173,788	28,437,736	94,736,052	58,000,000
B.19	GTL Network Services SA (Pty) Ltd.	ZAR	100	1,777,517	6,694,746	6,694,746	NIL	20,372,770	1,293,965	362,310	931,655	NIL
C.	**Ada Cellworks Wireless Engineering Pvt. Ltd.**	INR	900,000	236,512,014	252,758,074	252,758,074	NIL	8,183,093	(16,614,261)	64,845	(2,901,646)	NIL

Section 212(8) of Companies Act, 1956 for the financial year ended on March 31, 2013
All figures are in Indian Rupees

Sr. No.	Name of the Susbsidary Company	Currency	Capital	Reserves	Total Liabilities	Total Assets	Details of Invesment	Turnover	Profit before tax	Provision for taxation	Profit after Tax	Proposed dividend, if any
A	**International Global Tele–Systems Ltd.**	USD	3,919,131,825	3,192,247,835	7,633,017,632	5,994,644,299	1,092,248,889	427,011,000	(119,937,755)	NIL	(119,937,755)	NIL
B	**GTL International Ltd.**	USD	436,899,556	2,023,960,128	5,983,989,793	5,983,989,793	NIL	521,578,772	1,165,251,431	NIL	1,165,251,431	NIL
B.1	GTL (Singapore) Pte Ltd.	USD	16,431,956	196,239,825	235,457,404	235,457,404	NIL	3,918,757	(43,544,118)	NIL	(43,544,118)	NIL
B.2	GTL Saudi Arabia Company Ltd.	SAR	29,126,637	31,342,101	450,322,781	450,322,784	NIL	422,145,996	(28,988,698)	210,221	(29,198,919)	NIL
B.3	GTL Overseas (Middle East) FZ LLC	AED	7,481,157	783,813,498	879,972,607	879,972,607	NIL	173,845,087	(32,354,190)	NIL	(32,354,190)	NIL
B.4	GTL International Nigeria Ltd.	USD	4,266,597	(35,217,490)	187,369,617	187,369,617	NIL	146,134,551	(5,075,026)	NIL	(5,075,026)	NIL
B.5	Pt. GTL Indonesia	IDR	9,528,240	(295,159,295)	57,105,553	70,367,799	NIL	98,824,585	2,092,608	2,016,665	75,943	NIL
B.6	GTL Europe Ltd.	GBP	43,695,445	37,059,243	257,222,324	257,222,324	NIL	678,607,994	6,694,487	NIL	6,694,487	NIL
B.7	GTL Telecommunications Ireland Ltd.	EUR	71	(14,388,594)	446,134	446,134	NIL	4,709,776	(157,814)	NIL	(157,814)	NIL
B.8	GTL Network Services Malaysia Sdn. Bhd.	MYR	11,291,035	715,611,681	906,629,335	906,629,335	NIL	NIL	26,175,304	NIL	26,175,304	NIL
B.9	IGTL Network Services Philippines Inc.	Peso	659,682	3,724,152	47,497,091	47,497,091	NIL	63,207,243	12,117,336	3,379,581	8,737,755	NIL
B.10	GTL China Corporation Ltd.	RMB	10,760,284	3,498,483	23,338,805	23,338,805	NIL	NIL	(7,858,790)	NIL	(7,858,790)	NIL
B.11	GTL Taiwan Co. Ltd.	NTD	9,102,074	(53,773,475)	260,384,280	260,384,280	NIL	NIL	117,070	NIL	117,070	NIL
B.12	GTL (USA) Inc.	USD	169,304,039	(190,461,775)	729,546,665	729,546,665	NIL	998,211,272	(79,257,572)	NIL	(79,257,572)	NIL
B.13	GTL International Lanka (Pvt.) Ltd.	SLR	2,173,309	(137,697,444)	55,191,791	55,191,791	NIL	96,700,690	(19,699,672)	NIL	(19,699,672)	NIL
B.14	GTL International Bangladesh Pvt. Ltd.	BDT	2,496,836	(1,239,245)	213,532,811	213,532,811	NIL	130,263,524	(11,109,986)	679,875	(11,789,861)	NIL
B.15	GTL Kenya Ltd.	KES	64,503	19,644,365	140,710,251	140,710,251	NIL	96,729,629	(28,668,632)	NIL	(28,668,632)	NIL
B.16	GTL Tanzania Ltd.	TSH	34,675	5,910,518	22,705,910	22,705,910	NIL	17,673,973	(2,375,269)	(583,995)	(1,791,274)	NIL
B.17	GTL (Canada) Inc.	CAD	5,479	6,194,501	18,058,598	18,058,598	NIL	28,848,190	1,061,586	532,825	528,761	NIL
B.18	GTL Nepal Pvt. Ltd.	NPR	12,582,398	138,715,858	381,055,034	381,055,034	NIL	471,904,919	79,863,431	18,438,462	61,424,970	37,606,045
B.19	GTL Network Services SA (Pty) Ltd.	ZAR	611	10,859,823	40,901,864	40,901,864	NIL	124,770,502	7,924,728	2,218,923	5,705,805	NIL
C.	**Ada Cellworks Wireless Engineering Pvt. Ltd.**	INR	900,000	236,512,014	252,758,074	252,758,074	NIL	8,183,093	(16,614,261)	64,845	(2,901,646)	NIL

Notice for AGM

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of GTL Limited will be held on Tuesday, September 17, 2013, at 10:30 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400 703, to transact the following business:

1. To consider and adopt the Balance Sheet as at March 31, 2013, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Prof. Shamkant B. Navathe who retires by rotation and is eligible for re–appointment.

3. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

   "RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, approval of the members be and is hereby accorded for appointment of M/s. Godbole Bhave & Co., Chartered Accountants, Mumbai (FRN No.114445W) and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai (FRN No. 102489W) as Joint Auditors of the Company to hold office from conclusion of this Annual General Meeting, till conclusion of the next Annual General Meeting, on such remuneration as may be mutually agreed between the Board of Directors and the Joint Auditors."

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

   "RESOLVED that Mr. Sukanta Kumar Roy – Director of the Company, who retires by rotation and does not seek re–appointment, be not re–appointed as Director and the resultant vacancy be not filled up for the time being."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

   "RESOLVED that Mr. Arun Prabhukhanolkar, who was appointed an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and the Article 130 of the Articles of Association of the Company and who holds the office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Act in writing from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

   "RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the Act" including any modification(s) or re–enactment(s) thereof for the time being in force) and subject to the approval of lenders and the Central Government, if required, approval of the members be and is hereby accorded for appointment of Mr. Arun Prabhukhanolkar as the Whole–time Director of the Company, with effect from August 1, 2013 for a period of three years i.e. up to July 31, 2016, as approved by the Board of Directors in its meeting held on August 3, 2013, on the terms and conditions as set out in the Explanatory Statement annexed hereto.

   RESOLVED FURTHER that the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances, perquisites and designation in such manner as may be agreed to between the Board and Mr. Arun Prabhukhanolkar within and in accordance with and subject to the limits prescribed in Schedule XIII to the Act, and if necessary, as may be stipulated by the Central Government and as may be agreed to between the Board and Mr. Arun Prabhukhanolkar.

   RESOLVED FURTHER that notwithstanding anything hereinabove stated where in any financial year, during the currency of the term of Mr. Arun Prabhukhanolkar as a Whole–time Director, the Company has no profits or its profits are inadequate, he shall be paid the remuneration stated in the Explanatory Statement annexed hereto as "Minimum Remuneration" in the respective financial year(s) not withstanding that the same may exceed the ceiling limit laid down in Sections 198, 309 and Schedule XIII to the Act, subject to approval of the Central Government, if required.

   RESOLVED FURTHER that the Board be and is hereby authorised to execute all such documents, writings and agreements and to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to this resolution."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

   "RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the Act" including any modification(s) or re–enactment(s) thereof for the time being in force) approval of the members be and is hereby accorded for re–appointment of Mr. Manoj G. Tirodkar as the Chairman & Managing Director of the Company, with effect from August 18, 2013 for a period of five years i.e. up to August 17, 2018, as approved by the Board of Directors in its meeting held on August 3, 2013, on the terms and conditions as set out in the Explanatory Statement annexed hereto.

   RESOLVED FURTHER that the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances, perquisites and designation in such manner as may be agreed to between the Board and Mr. Manoj G. Tirodkar within and in accordance with and subject to the limits prescribed in Schedule XIII to the Act, and if necessary, as may be stipulated by the Central Government and as may be agreed to between the Board and Mr. Manoj G. Tirodkar.

   RESOLVED FURTHER that notwithstanding anything hereinabove stated where in any financial year, during the currency of the term of Mr. Manoj G. Tirodkar as the Chairman & Managing Director, the Company has no profits or its profits are inadequate, he shall be paid the remuneration stated in the Explanatory Statement annexed hereto as "Minimum Remuneration" in the respective financial year(s) not withstanding that the same may exceed the ceiling limit laid down in Sections 198, 309 and Schedule XIII to the Act, subject to approval of the Central Government, if required.

   RESOLVED FURTHER that the Board be and is hereby authorised to execute all such documents, writings and agreements and to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to this resolution."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

   "RESOLVED that the Special Resolution No. 11 passed at the 24th Annual General Meeting of the Company held on September 12, 2012 for issue and allotment of 65,00,00,000 (Sixty Five Crore)

0.01% Non–Participating Optionally Convertible Cumulative Preference Shares (**"OCPS"**) of ₹10/– (Rupees Ten Only) each aggregating ₹650,00,00,000/– (Rupees Six Hundred and Fifty Crore Only) to Chennai Network Infrastructure Limited (**CNIL**) be and is hereby modified by substitution of the words appearing in the point (a) of the second paragraph being 'a date 30 (thirty) days prior to the date of Conversion Notice given by CNIL to the Company of its intention to convert OCPS' by 'a date 30 (thirty) days prior to the respective Entitlement Dates'.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and also authorized to settle any question, difficulty or doubt that may arise in regard to the modification as stated above and further authorised to execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the applicable provisions under the Companies Act, 1956, including any statutory modification(s) or re–enactment thereof for the time being in force (hereinafter referred to as 'the Act') and all other applicable laws (including any statutory modification(s) or re–enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges, where the shares of the Company are listed, and / or the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as 'the SEBI ESOP Schemes') and in supersession of Special Resolutions passed earlier in respect of issuance and allotment of warrants and shares arising out of the same under various Employee Stock Option Schemes launched by the Company, approval of the shareholders' be and is hereby accorded for ratifying the decision of the Board of Directors of the Company (hereinafter referred to as **"the Board"**, which term shall be deemed to include any committee which the Board might have constituted to exercise its powers, including the powers conferred by this resolution) thereby cancelling all outstanding and unvested warrants with the employees.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and also authorized to settle any question, difficulty or doubt that may arise in cancellation of all outstanding ESOP Schemes *inter–alia* giving appropriate accounting treatment(s) and further authorised to execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

By Order of the Board of Directors,

Sd/–

Place: Mumbai — **Vidyadhar A. Apte**
Date: August 3, 2013 — Company Secretary

Registered Office:
"Global Vision", Electronic Sadan–II,
M.I.D.C., T.T.C. Industrial Area,
Mahape, Navi Mumbai – 400 710.

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions / authority, as applicable.

2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

3. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under Item Nos. 3 to 9 to be transacted at the 25th Annual General Meeting is annexed hereto.

4. The Register of Members and Share Transfer Books of the Company will be closed on Tuesday, September 17, 2013 for the purpose of Annual General Meeting.

5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the Company has transferred unclaimed dividends up to the FY 2004–05 to the Central Government. All unclaimed dividends for the FY 2005–06 will be transferred to the Investor Education and Protection Fund (IEPF) in October 2013. The Company has sent reminders to shareholders who have not claimed Dividend for FY 2005–06 or the same is still unpaid and issued Demand Drafts / Pay Orders to the shareholders who have responded. The Members who have not received their dividends may claim it from the Company sufficiently in advance. It may be noted that once the amounts in the unpaid / unclaimed dividend accounts are transferred to the IEPF, no claim shall lie against the Fund or the Company in respect thereof and the members would lose their right to claim such dividend.

   Please refer to 'Unpaid/Unclaimed Dividends' in the Corporate Governance Report forming part of the Annual Report, for the due dates of transfer of unclaimed dividends to the IEPF.

   Pursuant to the provisions of IEPF (Uploading of information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of September 12, 2012 (date of last AGM) on the website of the Company as also on the website of the Ministry of Corporate Affairs.

6. Members holding shares in physical form are requested to notify, immediately, any change in their address or bank details to the Company at its 'Investor Service Centre', "Global Vision", Electronic Sadan–II, M.I.D.C., T.T.C. Industrial Area, Mahape, Navi Mumbai – 400 710. Members holding shares in electronic form should update such details directly with their respective Depository Participants.

7. All documents referred to in the above Notice and the accompanying Explanatory Statement inter–alia Register of Contracts and Directors' shareholding are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the Annual General Meeting.

8. The Company's Equity Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and its privately placed Rated Redeemable Unsecured Rupee Non Convertible Debentures (NCDs) are listed with BSE under the Debt Segment.

Further, the Listing Fees in respect of shares and NCDs of the Company have been paid to BSE and NSE for the Financial Year 2013–14.

9. Members are requested to forward their queries on Annual Accounts or other Sections of the Annual Report to the Company Secretary at least 10 days in advance for enabling it to furnish appropriate details.

10. In order to minimize paper cost/work, we request shareholders/ investors to forward their queries pertaining to Annual Accounts and other Sections of Annual Report by e–mail to gtlshares@gtllimited.com.

11. Members are requested to bring their copy of the Annual Report to the Meeting.

Annexure to the Notice

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Item No. 3

Section 224A of the Companies Act, 1956 ('the Act') provides that in case of a company of which not less than 25% of the Subscribed Capital is held either singly or in any combination by Public Financial Institutions, Government Companies, Nationalized Banks etc., the appointment or re–appointment of an auditor of that company has to be made by a special resolution.

The shareholders of the Company in its 24th Annual General Meeting held on September 12, 2012, appointed M/s. Godbole Bhave & Co. Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants as the Joint Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of next Annual General Meeting.

As the combined shareholding of banks / financial institutions exceeds 25% of its Subscribed Share Capital, the re–appointment of M/s. Godbole Bhave & Co. and M/s. Yeolekar & Associates as Joint Auditors of the Company is required to be made by Special Resolution.

As required under Section 224 of the Act, certificate has been obtained from the Joint Auditors to the effect that their appointment, if made, will be in accordance with the limits specified in that Section.

The Board commends passing of the resolution as set out at Item No. 3 of the accompanying notice.

None of the Directors of the Company is, in any way, concerned or interested in passing of the Resolution.

Item No. 4

Mr. Sukanta Kumar Roy, a Director of the Company retires by rotation at the ensuing Annual General Meeting. Mr. Roy is associated with the Company for over 19 years in various capacities. He was elevated to the Board position as Whole–time Director and Chief Operating Officer in July 2010. In view of personal commitments Mr. Roy is not seeking re–appointment as a Director. Given his vast and varied experience, the management is requesting him to consider taking an employment to advise the Company on key issues.

The Board places on record its deep appreciation and respect for the valuable advice and guidance received during his tenure as a Director of the Company.

The Board commends passing of the resolution as set out in Item No. 4 of the accompanying notice.

None of the Directors of the Company is, in any way, concerned or interested in passing of the Resolution.

Item Nos. 5, 6 & 7

Considering the organic & inorganic growth, expansion plans, acquisition strategies, diversity in business operations, and delegation of authority, the Board of Directors of the Company in its meeting held on October 5, 2007 felt the need for appointing functional Directors for sharing increasing demands of business in a phased manner and accordingly the Board elevated Mr. Charudatta Naik and Mr. Sukanta Kumar Roy to the position of Whole–time Directors w.e.f. October 1, 2007 and July 27, 2010 respectively.

Since Mr. Charudatta Naik did not opt for re–appointment as a Director at the 24th Annual General Meeting of the Company held on September 12, 2012 he also ceased to be Whole–time Director of the Company.

Mr. Sukanta Kumar Roy the then Chief Operating Officer of the Company was elevated to the Board level and accordingly re–designated as Whole–time Director & Chief Operating Officer of the Company which was approved by the Board in its meeting held on July 27, 2010. His appointment as a Whole–time Director was initially made for a period of 3 years i.e. to say up to July 26, 2013. Mr. Roy is retiring at the ensuing Annual General Meeting and in view of his personal commitments is not seeking re–appointment as a Director.

Subsequent to the relinquishment of the Board position by Mr. Roy, the management felt the need for appointing a person to replace Mr. Roy and accordingly the Nomination & Remuneration Committee of the Board and the Board of Directors of the Company in its meetings held on July 27, 2013 and August 3, 2013, respectively, considered it appropriate to appoint Mr. Arun Prabhukhanolkar as an Additional Director and Whole–time Director for a period of 3 years w.e.f. August 1, 2013 on such remuneration and perquisites as detailed below. The Company has received notice in writing alongwith the necessary amount as deposit from a memeber proposing candidature of Mr. Arun Prabhukhanolkar in terms of Section 257 of the Companies Act, 1956.

The Board of Directors in its meeting held on April 1, 2011 re–designated Mr. Manoj Tirodkar from the Chairman & Managing Director to Non–Executive Chairman for giving impetus to overseas business having tremendous potential that required sincere efforts. However, due to unprecedented situation at the macro and micro economic level, at the request of Mr. Tirodkar and recommendations of the Nomination & Remuneration Committee, the Board of Directors in its meeting held on August 18, 2011 re–designated / appointed Mr. Tirodkar as the Chairman & Managing Director for a period of two years. Considering the financial position of the Company Mr. Tirodkar had voluntarily opted for a token salary of ₹ 1/– per month during the tenure of his appointment which expires on August 17, 2013.

Considering the downtrend in Indian economy as well as the global economy *inter–alia* the factors particularly affecting the telecom sector, the Company is currently under Corporate Debt Restructuring (CDR) mechanism. In terms of the CDR documents and as recommended by the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on August 3, 2013, considered it appropriate to re–appoint Mr. Manoj G. Tirodkar as the Chairman & Managing Director for a period of 5 years w.e.f. August 18, 2013 on such remuneration and perquisites as detailed below:

The salient features of the terms and conditions of appointment of Mr. Arun Prabhukhanolkar and Mr. Manoj G. Tirodkar are as follows:

Sr. No.	Terms & Conditions	Mr. Arun Prabhukhanolkar		Mr. Manoj G. Tirodkar
1.	Period:	The appointment is effective from August 1, 2013 for a period of three years i.e. up to July 31, 2016.		The appointment is effective from August 18, 2013 for a period of five years i.e. up to August 17, 2018.
2.	Remuneration	Salary Basic	:	₹ 1,47,000/– p.m. (₹ 1,40,000 – 20,000 – ₹ 2,00,000)
		HRA	:	₹ 7,350/– p.m. (5% of Basic)
		Education Allowance	:	₹ 500/– p.m.
		Transport Allowance	:	₹ 800/– p.m.
		Flexi Benefit Plan	:	₹ 1,80,830/– p.m. (up to 125% of Basic)
		Provident Fund	:	₹ 17,640/– p.m. (12% of Basic)
		Gratuity	:	₹ 5,880/– p.m. (4% of Basic)
		Variable Pay	:	₹ 40,000/– p.m.(10% of CTC)
		Leave	:	As per Company Rules
		Annual Increment	:	The Board will decide the Annual increment based on merit.
		Performance Linked Bonus/ Incentive	:	Such sum per annum depending upon the profitability of the Company and the performance of the appointees, as may be decided by the Board
		Perquisites and Allowances	:	The Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income–tax Act, 1961, Gratuity payable as per the rules of the Company, encashment of leave at the end of the tenure and use of Company's Car for official duties and telephone at residence (including payment for local calls and long distance calls shall not be included in the computation of limits for the remuneration as per Schedule XIII of the Companies Act, 1956.
3.	Commission:	Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company or a Committee thereof, at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable to the appointees will be based on certain performance criteria to be laid down by the Board or a Committee thereof and will be payable annually after the Annual Accounts have been approved by the Board of Directors.		
4.	Minimum Remuneration	Where in any financial year during the currency of the tenure of the Whole–time Director / Chairman & Managing Director, the Company has no profits of its profits are inadequate, the appointees shall be paid the aforesaid remuneration as "Minimum Remuneration" in the respective financial year(s) not withstanding that the same may exceed the ceiling limit laid down under Section 198, 309 and Schedule XIII to the Act, subject to the approval of the Central Government, if required. The terms and conditions of appointments may be altered and varied from time to time by the Board and / or Remuneration Committee as it may, in its discretion deem fit, notwithstanding the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and / or Remuneration Committee and the respective appointees subject to such approvals as may be required.		
5.	Modification in Terms	The terms and conditions of the appointment may, subject to the conditions laid down in Schedule XIII of the Companies Act, 1956, be altered and varied in such manner as may be agreed to between the Board and the appointees.		
6.	Termination	The agreement may be terminated by either party by giving six months notice or the Company paying six months remuneration in lieu of the notice.		
7.	Inspection	The draft of the Agreements to be entered into between the Company and appointees are open for inspection by the Shareholders at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the Annual General Meeting.		

In terms of the requirements as per sub – clause (iv) of the proviso to Sub–paragraph B of Paragragraph (1) of section II of Part II of Schedule XIII to the Act, the information is as furnished below:

Sr. No.	Particulars	Information			
I	**General Information**				
	1. Nature of Industry	GTL, a Global Group Enterprise, is a diversified technology and infrastructure services company focused on Telecom & Power. In the Telecom segment it provides Network Service solutions to telecom operators, OEMs & Tower Companies. In the Power sector it offers EPC services, Distribution Franchisee and Smart Grid solutions to Utilities and distribution companies.			
	2. Date or expected date of commencement of commercial production.	The Company is an existing Company and carrying out business for last about 25 years.			
	3. In case of a new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable			
	4. Financial Performance based on given indicators		Amount (₹ in Crore)		
			March 31, 2013 (12 months period)	**March 31, 2012 (9 months period)**	**June 30, 2011 (15 months period)**
		Share Capital			
		Equity	156.96	97.27	97.27
		Preference	650.00	–	–
		Reserves & Surplus	489.69	798.65	1,187.80
		Total Income	2,213.26	1,556.93	3,352.56
		Profit Before Tax	(519.00)	(385.46)	214.30
		Profit After Tax	(519.37)	(400.74)	142.18
	5. Export performance and net foreign exchange collaborations	Foreign Earnings through Sales & Service ₹ 1.56 Crore. The Company does not have any foreign collaboration.			
	6. Foreign Investment or collaborators, if any.	Not Applicable			

II	**Information about the Appointees**		
	1. Background Details	**Mr. Manoj G. Tirodkar** Mr. Tirodkar is a first generation entrepreneur, and has founded GTL Limited in 1987, when he was only 23 years old. As Chairman & Managing Director of the Company he has provided singular leadership and motivation to over 6400 employees and associates of the Company to excel in their respective roles and also positioned GTL as a dominant player in the Network Services space. Under his able stewardship, GTL has ventured into the Power Sector and has won the contract for Power Distribution Franchisee in Aurangabad.	**Mr. Arun Prabhukhanolkar** Mr. Khanolkar holds a diploma in Electrical Engineering, MSBTE. He has an overall experience of about 12 years in the Global Group of companies in various capacities. In GTL he has handled various assignments in a mix domains like Key Account Management, Business Development, Public relations etc. in addition to his current responsibility for the Business Development and Relationship management in Power Business, he is involved in managing key relationships with various authorities in public and private sector.
	2. Past remuneration	Mr. Manoj G. Tirodkar was appointed as Chairman & Managing Director in July 2006 and has drawn a remuneration of ₹ 2.05 Cr. during FY 2006–07, ₹ 2.78 Cr. during FY 2007–08, ₹ 0.76 Cr. during FY 2008–09, ₹ 4.72 Cr. during FY 2009–10 and ₹ 0.78 Cr. during FY 2010–11. Since his re–appointment in August 18, 2011, he voluntarily opted for token salary of Re.1/– p.m.	Mr. Arun Prabhukhanolkar was appointed as Sr. VP. – Business Development and has drawn ₹ 0.47 Cr. since FY 2011–12.

<table>
<tr><td></td><td>3.</td><td>Recognition or awards</td><td>

Mr. Tirodkar is the winner of CII Young Entrepreneurs Trophy 2001.
He also has the honour of becoming the first Indian to win the World Young Business Achiever Award for 2000.
He has also won the Indian Young Business Achiever Award in 2000.
Business Barons Taylors Nelson Sofres mode had ranked him 13th & 12th Best CEO of India for the year 2000 & 2001.
He also received the Telecom Man of the Year Award in 1996.

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<tr><td></td><td>4.</td><td>Job profile and their suitability</td><td>
Mr. Manoj G. Tirodkar is the Promoter Director of the Company and also the Chairman & Managing Director having rich experience of more than 25 years. He functions under the superintendence of the Board of Directors. Under his able leadership the Company which was predominantly engaged in telecom equipment distribution, diversified into providing Network Services in the Telecom Sector. The Company used its know–how of implementation and maintenance of large telecom networks and extended it to power sector. It has also won the Distribution Franchisee for the Power Sector for Aurangabad Urban Circle (I & II) from MSEDCL.
Due to his vision, dynamism and unstinted contribution, GTL Limited has grown from strength to strength. Under the stewardship of Mr. Tirodkar the Company has established its presence mainly in six regions viz. USA, Europe, Middle East, Asia Pacific, Africa & SAARC as well as in various locations across India.
As the Chairman & Managing Director he is responsible for:

safeguarding the interest of the Company, Shareowners, investors, financial institutions / lenders, customers, employees and the communities within which the Company operates;
recommending to the Board means or changes whereby its effectiveness will be improved;
Overall conduct and management of business affairs of the Company; and
Development of Domestic and International business, providing strategic direction to the business segments, enhancement of efficiencies in services, rationalization of costs.

Considering the fact that the Telecom Sector is going through a difficult phase, the Company was required to restructure its debts and is currently under Corporate Debt Restructuring mechanisim, the duties and responsibilities of Mr. Tirodkar have grown manifold. There is an imperative need for formulation of competitive strategies and ongoing review for successful implementation in order to provide an impetus to the survival & growth of the Company. This enduring process demands his continued focus and involvement in Managing the overall affairs of the Company.
Needless to say in these tough times the Company needs the continuous guidance and support of Mr. Tirodkar and under his proficient leadership the Company can look forward to steer through the challenging times and bounce back on the growth trajectory.
</td><td>
Mr. Prabhukhanolkar is associated with the group since November 2001 and has handled various responsibilities in Business Development, Sales & Marketing. He has taken initiative with the customers in Power Sector for finalising deals like EPC for infra, Restructured–Accelerated Power Development & Reforms Programme (R–APDRP) and Distrution Franchisee business from MSEDCL. He is currently designated “Head of DF and EPC (Power business)” and is responsible for the P&L of the DF and EPC business. With his rich experience in his diverse engagements, his financial acumen and commercial flair needed to understand the diverse market and identify potential opportunities, their financial viability etc. he is found most suited for his proposed profile.
As the Whole–time Director of the Company he is fully responsible for:

The overall profitability and growth of Power Sector & EPC;
Managing the day–to–day business operations of the Power Sector & EPC;
Putting together a senior management team and setting the tone and direction of the Company;
Managing resources efficiently and effectively to achieve the Company’s objectives;
Ensuring that there is a fit between strategy, culture and the Company’s business processes;
Conducting periodic business reviews with senior management to monitor the progress and provide guidance as may be required; and
Managing, motivating, developing and leading members of the core operating team.

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</table>

	5. Remuneration proposed		Details of the total remuneration comprising of Salary, HRA, Education Allowance, Transport Allowance, Flexi benefit plan etc. which is proposed to be paid to Mr. Manoj G. Tirodkar and Mr. Arun Prabhukhanolkar for the period of their appointment is set out above.
	6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)		There is not much comparison available in the market in terms of the business in which the Company operates. However, the general trend in telecom companies shows that the managerial remuneration paid to Whole–time Director is ranging anywhere between ₹ 1–5 Crore.
	7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.		Mr. Manoj G. Tirodkar is the Chairman & Managing Director and also the Promoter Director of the Company. He does not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides the remuneration set out above and except to the extent of the Promoter shareholdings in the Equity Share Capital of the Company. Mr. Arun Prabhukhanolkar does not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel nor does he has any direct or indirect interest in the Equity Share capital of the Company besides the remuneration set out above.
III	**Other Information**		
	1. Reasons of loss or inadequate profits	Key concerns for Telecom Sector: The Indian telecom sector is going through one of its toughest phase, the operators have deferred their capital expenditure and expansion plans. In addition to this they have reduced the pricing for Network Services players like us, and are asking for better payment terms impacting our margins and working capital. This has resulted into business becoming unviable. FY 2011–12 saw de–leveraging efforts, elevated unemployment levels, lingering real estate market problems, and a shift of policy priorities towards fiscal consolidation which will continue to constrain growth in a number of high income economies. The Indian economy is experiencing turbulences for past about two years due to various factors such as high interest rates, increase in cost of fuel mainly due to dependency of our economy on import of large quantum of fuel from overseas market, policies addressing various issues affecting our economy due to political compulsions etc. Certain Global Credit rating agencies have downgraded India's economic prospective as downside risks to India have increased, most recently with the sharp depreciation of the currency, which will add to already–high inflationary pressures. Besides the uncertainty prevailing in Indian Economy, the telecom sector is affected to a great extent due to uncertainty on new telecom policy and order passed by the Honorable Supreme Court in the recent past thereby cancelling 122 telecom licenses and confusion prevailing as to re–allotment of these licenses through bidding process. Due to these factors, the overseas telecom operators who had entered the Indian Telecom Market have decided to exit from the Indian market which will further reflect on the investment climate in the country and particularly the Telecom sector. This has a major adverse effect on development of the telecom industry as the uncertainty created over licensing and pricing by various authorities is likely to make the telecom business unviable. The steep increase in the cost of license and telephone rates would result in creating low demand for telecom products thereby affecting the revenue and profitability of telecom operators. Due to various factors that has had effect on the Indian economy and particularly the Telecom Industry, the financial performance in terms of top line and bottom line of the Company has been severely affected as its main source of revenue is from Telecom Operators or OEMs who have curtailed and / or postponed their CAPEX / OPEX plan.	

	2. Steps taken or proposed to be taken for improvement	**Increasing Recurring Revenue:** The Company's Power Distribution Franchisee business along with Energy Management business for telecom operators has helped to build a business model that has recurring revenue. The Company is now focusing on winning similar business that shall add recurring revenues. **Introduce new services:** Globally the telecom sector is likely to witness growth in data services over the next few years. This growth is likely to ride on implementation of LTE networks. GTL has begun offering new services like Remote Network Management, Benchmarking the networks, Network Design in the LTE space etc. to its customers in the advanced markets. As the Network evolves in the other markets, similar services can be offered in other regions over the period of three to four years. **Focus on Cost:** Looking at the external environment, the Company has already initiated several measures across admin, procurement, transportation, energy etc. that would bring down the administration and wage costs. The Company will also continuously monitor the cost structures and would take suitable action as and when required. **Monetizing Investments:** Currently both the capital markets and telecom sector in India are going through a rough phase, we believe we can monetize our investments in telecom tower sector over a period of 3–5 years and to reduce our debt.
	3. Expected increase in productivity and profits in measurable terms	The Indian telecommunication industry, after witnessing an exponential growth over a decade, is experiencing change in tide. Rapidly changing market conditions and dynamics, declining fixed subscriber numbers, limited growth in mobile subscriber base, etc, are exerting pressure on the existing players to survive in its current form. While explosion in data traffic has provided a new ray of hope for the industry, accumulation of additional capital to facilitate massive investment in capacity and backhaul to tap the unexplored potential in data services, has been a major concern for the industry. Provision of tax benefits including investment linked incentive would reinstate the investor's belief. Infrastructure status has been granted to telecom tower companies. This is likely to provide multiple benefits to the tower industry, *inter–alia*, including tax holiday. Consistent with the above, given the capital intensive nature of the industry and huge gestation period, such tax holiday benefits or investment linked incentive should be extended to all telecom players in the industry, including internet service companies which are still at its nascent stage. To this effect it is expected that the Government could appropriately amend the definition of infrastructure to cover 'telecom'. Government of India has on August 1, 2013, approved hiking foreign direct investment (FDI) limit in the sector from 74 per cent to 100 per cent. The idea behind increasing FDI limit in telecom sector is to help industry get fresh funds to lower financial burden. The Company is looking forward to grab opportunities for Network Deployment Operations & Maintenance Services in Africa, SAARC and Middle East Regions. The Company plans and continues to operate those projects which offer higher margins and require lower working capital. It shall concentrate to develop the Network Services business in international markets and Domestically it shall continue to offer services of Energy Management for the Telecom business. GTL has the power distribution franchisee contract for Aurangabad Urban Circle (I& II) for a period of 15 years. In future it plans to leverage its experience from the Aurangabad project by bidding for similar projects in other parts of the country. If the Company is able to infuse liquidity by way of capital infusion, it can bag a few more projects as above that shall be beneficial to the Company in the long run to add to their revenues and increase its profit margins. From the facts and position explained above it can be noticed that the situation faced by the Company has been due to macro and micro economic factors and reasons beyond the control of management. However, the management is continuously initiating steps for improvement in performance and is expecting that the reinforced and dedicated efforts would bring about an improvement in the operational growth in future.
IV	Disclosures	The shareholders of the Company have been informed of the proposed remuneration package of Mr. Manoj G. Tirodkar and Mr. Arun Prabhukhanolkar in the explanatory statement for resolution nos. 6 and 7 of the Notice of 25th Annual General Meeting. Disclosure on remuneration package to the Directors of the Company including details of Stock Options issued by the Company have been made in the Corporate Governance Report which forms a part of the Report of the Board of Directors in the Annual Report of the Company for FY 2012–13.

The Board commends passing of the resolutions at Item Nos. 5, 6 & 7 of the accompanying notice.

Except Mr. Arun Prabhukhanolkar and Mr. Manoj G. Tirodkar, none of the Directors of the Company is, in any way, concerned or interested in passing of the Resolutions.

This may be treated as an abstract of the draft Agreement between the Company and the appointees, pursuant to Section 302 of the Companies Act, 1956.

Item No. 8

The shareholders of the Company in its 24th Annual General Meeting held on September 12, 2012 in Navi Mumbai passed Special Resolution thereby empowering the Company to issue and allot 65,00,00,000 (Sixty Five Crore) 0.01% Non–Participating Optionally Convertible Cumulative Preference Shares ("OCPS") of ₹10/– (Rupees Ten Only) each aggregating ₹650,00,00,000/– (Rupees Six Hundred and Fifty Crore Only) and the disclosures were made in the Notice convening the said AGM as required under the ICDR Regulation *inter–alia* mentioning about the 'Relevant Date' both in the Resolution and the Explanatory Statement. However, it was inadvertently stated in the related Resolution No. 11 that "Relevant date shall be the date 30 (thirty) days prior to the date of the conversion notice given by CNIL to the Company" instead of mentioning "Relevant date shall be the date 30 (thirty) days prior to the respective Entitlement Dates".

Whilst granting in principle approval for listing of shares arising out of conversion of OCPS, National Stock Exchange of India Limited one of the stock exchanges where the Company's shares are listed had stipulated for carrying modifications by shareholders.

The Board commends passing of the resolution as set out in Item No. 8 of the accompanying notice.

The preferential issue of OCPS has been subscribed by Chennai Network Infrastructure Limited in which Mr. Manoj Tirodkar – Chairman & Managing Director of the Company has got an interest. Also, Mr. Vijay Vij and Mr. D.S. Gunasingh Directors are holding Directorship in CNIL. Except Mr. Manoj Tirodkar, Mr. Vijay Vij and Mr. D.S. Gunasingh, to the extent indicated, none of the Directors of the Company is, in any way, concerned or interested in passing of the Resolution.

Item No. 9

The Company obtained approval of the shareholders from time to time for launching Employee Stock Option Schemes (ESOP), thereby enabling employees in participating in the management and its growth. Currently, the Company is passing through difficult phase due to various factors at macro and micro economic level and thus it is under the Corporate Debt Restructuring mechanism.

Owing to sluggish market conditions and the factors particularly affecting the telecom industry, the Company's share price on stock markets is trading well below the price at which ESOPs were allotted and thus the very purpose of implementation of ESOP has been defeated. Under the circumstances, the Board of Directors of the Company with the consent of concerned employees, with whom ESOP Warrants were outstanding and unvested has cancelled such warrants and closed all ESOP Schemes.

As a matter of prudent practice, approval of shareholders has been sought for ratifying the decision of the Board in the matter.

The Board commends passing of the resolution as set out at Item No. 9 of the accompanying Notice.

Except for the Directors to whom ESOP warrants were allotted, none of the Directors of the Company is, in any way, concerned or interested in passing of the Resolution.

By Order of the Board of Directors,

Sd/–

Place: Mumbai — **Vidyadhar A. Apte**
Date: August 3, 2013 — Company Secretary

Registered Office:
"Global Vision", Electronic Sadan–II,
M.I.D.C., T.T.C. Industrial Area,
Mahape, Navi Mumbai – 400 710,
Maharashtra, India.

NOTES

GTL LIMITED

Regd. Office: "Global Vision", Electronic Sadan–II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai – 400 710. MAH. INDIA
Tel: +91 22 2761 2929 **Extn**: 2232–2235 **Fax**: +91 22 2768 0171.
E–mail: gtlshares@gtllimited.com **Website**: www.gtllimited.com

ATTENDANCE SLIP

Folio No./Demat A/c. No.: .... No. of Shares: ....

NAME AND ADDRESS OF THE MEMBER:

PLEASE COMPLETE THIS ATTENDANCE SLIP
AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

....

....

....

I certify that I am a registered member/proxy for the registered member of the Company.

I hereby record my presence at the Twenty Fifth Annual General Meeting of the Company being held on Tuesday, September 17, 2013 at 10.30 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai – 400 703.

....

Name of the attending Member/Proxy* Member's/Proxy's* Signature

GLOBAL Group Enterprise

* Strike out whichever is not applicable

GTL LIMITED

Regd. Office: "Global Vision", Electronic Sadan–II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai – 400 710. MAH. INDIA
Tel: +91 22 2761 2929 **Extn**: 2232–2235 **Fax**: +91 22 2768 0171.
E–mail: gtlshares@gtllimited.com **Website**: www.gtllimited.com

PROXY FORM

Folio No./Demat A/c. No. ____

I/We, (Name/s) ____ of

(Address) ____

____ being a Member/Members of GTL Limited hereby appoint

(Name) ____ of

(Address) ____

or failing him (Name) ____ of

(Address) ____

as my/our proxy to vote for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on Tuesday, September 17, 2013 at 10.30 a.m. or at any adjournment thereof.

Signed this ______________________ day of _______________ 2013.

Signed by the said ____

Affix
Revenue
Stamp of
15 paise

Note : The proxy form shoud be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

GLOBAL Group Enterprise

LIST OF BRANCHES IN INDIA

AURANGABAD
Plot No. T9,
STPI MIDC, Chikalthana,
Aurangabad – 431 003,
Maharashtra, India.

GURGAON
3rd Flr, PALM Court,
20/4, Sukhrali Chowk,
Gurgaon – 122 001,
Haryana, India.

MUMBAI
412, Janmabhoomi Chambers,
29, Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 038,
Maharashtra, India.

NAVI MUMBAI
"Global Vision", ES–II, MIDC,
TTC Industrial Area,
Mahape, Navi Mumbai – 400 710,
Maharashtra, India.

PUNE
Survey No. 61, 2/7,
Plot No. 01, Off Salunke Vihar Road,
Opp. Oxford Village, Wanowarie,
Pune – 411 440, Maharashtra, India.

PUNE
Plot No. 32/33, Phase 1,
Rajiv Gandhi InfoTech Park,
Opp. Persistent Building, Hinjewadi,
Pune – 411 057, Maharashtra, India.

www.gtllimited.com

GLOBAL Group Enterprise

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"Global Vision", Electronic Sadan–II, MIDC, TTC Industrial Area,
Mahape, Navi Mumbai – 400 710, Maharashtra, India.

Tel: +91 22 2761 2929 | Fax: +91 22 2768 9990

This annual report is printed on Eco-Friendly paper

Form A		
1	Name of the Company	GTL Limited
2	Annual Financial Statements for the year ended	March 31,2013
3	Type of Audit observation	Standalone financial statement: Un-qualified Consolidated financial statement: Emphasis of Matter in respect of amounts owed to the company's wholly owned subsidiary (Refer page 69 of the annual report)
4	Frequency of observation	Standalone financial statement: Not Applicable Consolidated financial statement: First time reported in the financial statement for the year ended March 31, 2013
5	To be signed by :	
	Mr. Manoj G. Tirodkar Chairman & Managing Director	
	Mr. Milind Bapat Sr. Vice President-Finance	
	Auditor's of the Company YEOLEKAR & ASSOCIATES MUMBAI Chartered Accountants GODBOLE BHAVE & CO. MUMBAI. Chartered Accountants	For Godbole Bhave & Co. Chartered Accountants FRN NO: 114445W AS Mahajan A.S.MAHAJAN Partner Membership Number 100483 For Yeolekar & Associates Chartered Accountants FRN NO: 102489W S.S.YEOLEKAR Partner Membership Number 36398
	Auditor's of the Company	
	Mr. Vijay Vij Chairman - Audit Committee	Vijay Vij

Form B		
1	Name of the Company	GTL Limited
2	Annual Financial Statements for the year ended	March 31,2013
3	Type of Audit Qualification	Qualified opinion on consolidated financial statement (Refer Page 68 of annual annual report) in respect of: a) share of loss in its associates and b) classification of Investments
4	Frequency of Qualification	a) First time reported in financial statement for the period ended June 30, 2011. b) First time reported in the financial statement for the year ended March 31, 2013
5	Draw Attention to relevant notes in the Annual Financial Statements and Management response to the quilifications on the Directors Report :	For Share of loss in its associates Refer Note 2.12.2 - Page 83 of annual report
6	Additional Comment from the Board / Audit Committee chair	For Share of loss in its associates Refer Note 2.12.2 - Page 83 of annual report
7	To be signed by :	
	Mr. Manoj G. Tirodkar Chairman & Managing Director	
	Mr. Milind Bapat Sr. Vice President-Finance	
	Auditor's of the Company YEOLEKAR & ASSOCIATES MUMBAI Chartered Accountants GODBOLE BHAVE & CO. MUMBAI. Chartered Accountants	For Godbole Bhave & Co. Chartered Accountants FRN NO: 114445W A S Mahajan A.S.MAHAJAN Partner Membership Number 100483 For Yeolekar & Associates Chartered Accountants FRN NO: 102489W S.S.YEOLEKAR Partner Membership Number 36398
	Mr. Vijay Vij Chairman - Audit Committee	Vijay Vij