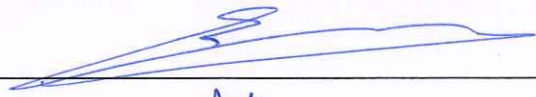

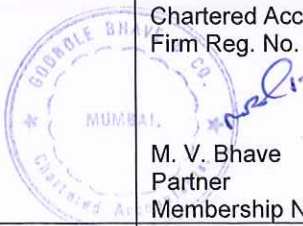

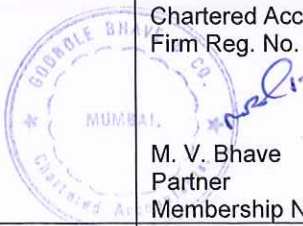

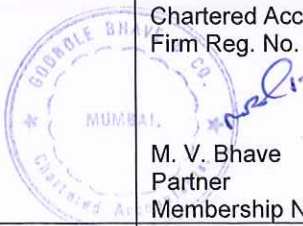




Form A		
1	Name of the Company	GTL Limited
2	Annual Financial Statements for the year ended	March 31, 2015
3	Type of Audit observation	<p>Standalone financial statement:</p> <p>Emphasis of Matter (Refer page 72 & 73 of the Annual Report for FY 2014-15) in respect of:</p> <ul style="list-style-type: none"> a) Note No.2.8.1 to the standalone financial statements which inter-alia describes the uncertainty related to the outcome of the winding up petition filed against the Company by the holders of Non Convertible Debentures issued by the Company. b) Note No.2.39 in the standalone financial statements which describes that the Company has incurred cash losses, its Net worth has been substantially eroded and the Company's current liabilities have exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in the said note, indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note. c) Note No.2.11.3 in the standalone financial statements which states that the book values/market values of certain long term investments of the Company referred to in the said note are lower than their carrying values and non provision for diminution in value of these investments for the reasons stated therein. d) Note No.2.23.1 in the standalone financial statements regarding managerial remuneration, which is subject to the approval of the Central Government <p>Consolidated financial statement:</p> <p>Emphasis of Matter (Refer page 110 & 111 of the Annual Report for FY 2014-15) in respect of:</p> <ul style="list-style-type: none"> a) Note No 2.8.1 to the consolidated financial statements which, inter-alia describes the uncertainty related to the outcome of the winding up petition filed against the Holding Company by the holders of Non Convertible Debentures issued by the Holding Company. b) Note No 2.31.4.1 to the consolidated financial statements which, describes the uncertainty related to petition for bankruptcy filed by the Holding Company's stepdown subsidiary, GTL (USA) Inc. c) Note No 2.16.1 to the consolidated financial statements regarding trade receivables of ₹187.76 Crore due to the Holding Company's wholly owned subsidiary, International Global Tele-systems Ltd (" the Subsidiary") from a customer, who has not honored its commitments on agreed dates. The said receivable is covered by an insurance policy, which is assigned in favour of the bank as security for facility availed by the subsidiary. The insurance company has not settled the claim. The subsidiary has appointed an arbitrator to resolve the issues between itself and customer. The process of arbitration is still under progress. The subsidiary is confident of the recovery of these receivables and hence no provision for the same is made in the financial statements. d) Note No 2.35 in the consolidated financial statement which inter-alia describes that the Group has incurred cash losses, its Net worth has been fully eroded and the Group's current liabilities have exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth

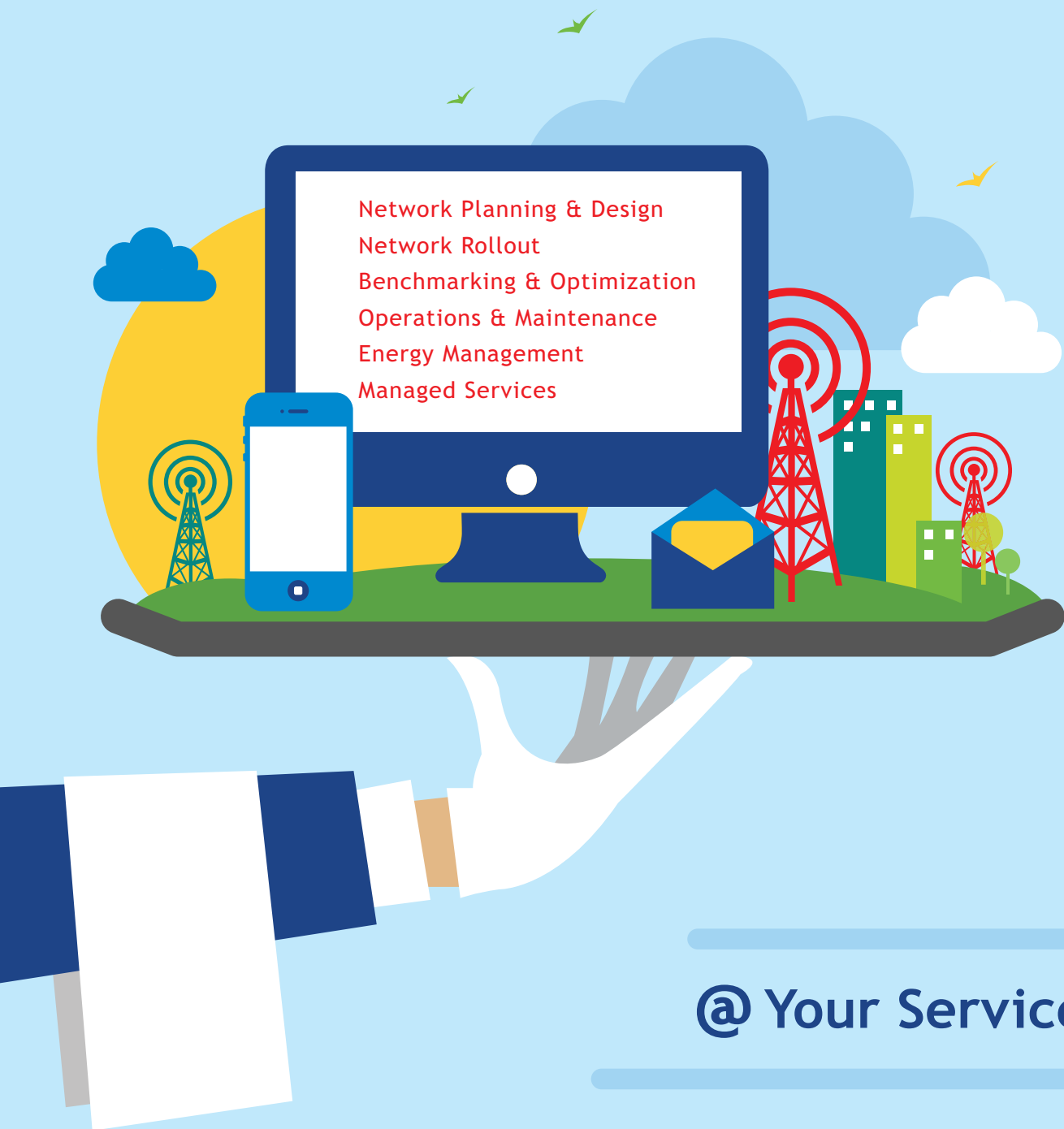


Form A				
		<p>in Note No 2.35, indicate the existence of a material uncertainty that cast significant doubt about the Group's ability to continue as a going concern. However, the financial statements of the Group have been prepared on a going concern basis for the reasons stated in the said Note.</p> <p>e) Note No 2.11.4 in the consolidated financial statement which states that the book values/market values of certain long term investments as referred to in the said note are lower than their carrying values and non provision for diminution in value of these investments for the reasons stated therein.</p> <p>f) Note No 2.11.3 in the consolidated financial statement regarding non consideration in the consolidated financial statement the share in loss in the Holding Company's associates, GTL Infrastructure Ltd and Chennai Network Infrastructure Limited, for the reasons stated in the said note.</p> <p>g) Note NO.2.24.1 in the Consolidated financial statements regarding managerial remuneration paid by the Holding Company, which is subject to the approval of the Central Government.</p>		
4	Frequency of observation	<p>Standalone financial statement: In respect of: (a) and (d) - First time reported in the financial statement for the year ended March 31, 2015 (b) and (c) - Reported in financial statement since the year ended March 31, 2014</p> <p>Consolidated financial statement: In respect of: (a) (b) and (g) - First time reported in the financial statement for the year ended March 31, 2015. (d) and (e) - Reported in financial statement since the year ended March 31, 2014 (c) - Reported in financial statement since the year ended March 31, 2013 (f) - Reported in the financial statement as: (1) Qualified Opinion, from the period ended June 30, 2011 to the year ended March 31, 2014 and (2) Emphasis of Matter for the first time in the financial statement for the year ended March 31, 2015</p>		
5	To be signed by :			
	Mr. Manoj G. Tirodkar Chairman & Managing Director			
	Mr. Milind Bapat Chief Financial Officer			
	Auditor's of the Company	<table border="0"> <tr> <td> <p>For Godbole Bhav & Co. Chartered Accountants Firm Reg. No. 114445W</p> <p> M. V. Bhav Partner Membership No. 038812</p> </td> <td> <p>For Yeolekar & Associates Chartered Accountants Firm Reg. No. 102489W</p> <p> S. S. Yeolekar Partner Membership No. 036398</p> </td> </tr> </table>	<p>For Godbole Bhav & Co. Chartered Accountants Firm Reg. No. 114445W</p> <p> M. V. Bhav Partner Membership No. 038812</p>	<p>For Yeolekar & Associates Chartered Accountants Firm Reg. No. 102489W</p> <p> S. S. Yeolekar Partner Membership No. 036398</p>
<p>For Godbole Bhav & Co. Chartered Accountants Firm Reg. No. 114445W</p> <p> M. V. Bhav Partner Membership No. 038812</p>	<p>For Yeolekar & Associates Chartered Accountants Firm Reg. No. 102489W</p> <p> S. S. Yeolekar Partner Membership No. 036398</p>			
	Mr. Vijay Vij Chairman - Audit Committee			

Place: Mumbai

Date: August 27, 2015





@ Your Service

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Manoj G. Tirodkar	Chairman & Managing Director
Prof. Shamkant B. Navathe	Independent Director (upto January 20, 2015)
Mr. Vijay M. Viji	Independent Director
Mr. D. S. Gunasingh	Independent Director
Mr. Navin J. Kripalani	Independent Director
Mr. Hemant S. Desai	Independent Director (upto September 16, 2014)
Mr. Ajay Sharma	Director – Nominee of IDBI Bank (upto October 1, 2014)
Mr. Dilip Kumar Mandal	Director – Nominee of IDBI Bank (w.e.f. October 1, 2014)
Mr. Arun Prabhukhanolkar	Whole-time Director (upto December 16, 2014)
Mr. Sunil S. Valavalkar	Additional & Whole-time Director (w.e.f. December 16, 2014)
Mrs. Siddhi M. Thakur	Additional & Independent Director (w.e.f. March 31, 2015)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vidyadhar A. Apte

CHIEF FINANCIAL OFFICER

Mr. Milind V. Bapat

AUDITORS

M/s Godbole Bhavé & Co., Chartered Accountants

M/s Yeolekar & Associates, Chartered Accountants

BANKS / INSTITUTIONS

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

REGISTERED OFFICE & INVESTOR SERVICE CENTRE (In-house Registrar & Share Transfer Agent)

GTL Limited

“Global Vision”, Electronic Sadan-II,
MIDC, TTC Industrial Area, Mahape,
Navi Mumbai – 400 710, Maharashtra, India.

Tel: +91 22 2761 2929 Extn.: 2232–2235 | Fax: +91 22 2768 0171

Email: gtlshares@gtllimited.com | ir@gtllimited.com

Website: <http://www.gtllimited.com>

CIN : L40300MH1987PLC045657

CONTINUING & DISCONTINUED BUSINESS OPERATIONS

Particulars	GTL Consolidated (Audited)				GTL Standalone (Audited)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
	₹ Cr.	₹ Cr.	US\$ Mn.	US\$ Mn.	₹ Cr.	₹ Cr.
Total Income	2,586.59	2,716.82	419.10	440.08	2,151.34	2,338.22
Net Sales / Services	2,495.93	2,633.04	404.41	426.61	2,069.41	2,265.11
PBDIT and exceptional items	(274.67)	228.46	(44.50)	37.02	(54.11)	205.99
Depreciation	139.99	126.72	22.68	20.53	126.22	110.95
Profit before exceptional items & tax	(935.45)	(480.94)	(151.57)	(77.92)	(648.57)	(444.59)
Profit after exceptional items but before tax	(1,088.16)	(507.59)	(176.21)	(82.24)	(801.29)	(444.59)
Profit after tax	(1,103.63)	(536.84)	(178.82)	(86.98)	(801.29)	(469.77)
Dividend per share	Nil	Nil	Nil	Nil	Nil	Nil
EPS Basic / Diluted	(70.89)	(35.70)	(11.49)	(5.78)	(50.95)	(29.87)
Equity & Preference Share capital	807.30	807.30	128.99	134.36	807.30	807.30
Reserves & Surplus	(873.67)	272.69	(139.60)	45.38	(780.79)	20.50
Networth	(66.37)	1,079.99	(10.60)	179.74	26.51	827.80
Net Fixed Assets	313.24	537.43	(50.05)	89.44	240.74	404.28
Total Assets	6,694.78	7,605.63	1,069.71	1,265.81	6,000.42	6,676.32

Conversion Rate for 1 US\$ into INR (weighted average)	FY 2014-15	FY2013-14
Profit and Loss Account	61.7172	61.7200
Balance Sheet Items	62.5850	60.0850

Note: GTL generates 83% 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.

DISCLAIMER: The information and opinions contained in this report do not constitute an offer to buy any of GTL Limited's (GTL) securities, businesses, products or services. The report also contains forward-looking statements, qualified by words such as 'expect', 'plan', 'estimate', 'believe', 'project', 'intends', 'exploit' and 'anticipates', and words of similar substance in connection with any discussion of future performance, that we believe to be true at the time of the preparation of the report. The actual events may differ from those anticipated in these statements because of risk, uncertainty or the validity of our assumptions and we do not guarantee that these forward looking statements will be realised, although we believe that we have been prudent in our assumptions. GTL does not take on any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. The Trade Marks, Service Marks, Logos of various Companies used in the report belong to the respective owners only and have been used in the report for representation purpose only.



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MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS SNAPSHOT

GTL Limited (GTL), a Global Group Enterprise, is a diversified Technology and Infrastructure services company focused on Telecom.

In the telecom segment the Company provides network services to telecom operators, OEM's and tower companies.

TELECOM

Network Planning, Design for 2G / 3G / 4G LTE networks

The introduction of smart phones, and the ever growing data usage over the traditional telecom networks, has made the task of planning and optimizing existing networks a challenge to service providers.

The Network Planning & Design and services deliver value by designing networks that live up to customer's expectations, with high Quality of Service to support technology and capacity requirements of Operators.

GTL's engineers use technology expertise, sophisticated algorithms, world-class tools and disciplined design processes to provide an end-to-end, multi-vendor design solutions across 3G and 4G / LTE technologies.

Network Planning & Design cover Radio Frequency (RF) and Transmission Engineering, Fixed and Core Network Engineering for 3G, 4G, Microwave Transmission, SDH, DWDM, WiMAX and Broadband networks.

Operations & Maintenance

GTL under its Network Operations and Maintenance services portfolio manages Operations and Maintenance activities for Telecom infrastructure of Operators enabling them to focus on core areas of their business like branding, marketing and value creation. With this service GTL ensures high level of network uptime with control over operational expenses.

GTL's extensive experience on multi technology products across geographies, system & process based maintenance and right shoring of operations provides the operator with required comfort to partner with GTL for managing its business critical task of operations & maintenance. Services such as Network Monitoring & Operations, Network Field Maintenance, Technical Support and Process Management and Logistic with Vendor Management are offered to operators.

Energy Management

GTL's Energy Management Solutions are aimed at reducing energy expenses through installation of energy efficient devices, energy audit of telecom infrastructure, process improvements, using alternate sources of energy like solar and wind. These solutions will benefit service providers by

reducing their operational expenditure and their carbon footprint.

Widely used diesel generator for power at sites needs to optimized in absence of 24X7 grid power. GTL's Energy Management Services help tower companies and service providers, manage their energy more efficiently.

Under the Energy Management Service the Company offers a fixed energy model where the customer pays fixed energy costs based on previous consumption patterns and a Consumption Per Hour (CPH) model, where in the actual energy costs are reimbursed.

Additionally process efficiency is brought in through Tower Operations Center (TOC) operated under Network Operation Center (NOC) which monitors alarms from sites through trouble ticketing mechanism and ensures closure of tickets within specific time frames agreed with customers. TOC also monitors Preventive maintenance activity with focus on equipment ageing life cycle management which helps in asset planning from a perspective of network upgrade. This gives network the required uptime and stability preventing unforeseen equipment failure.

Managed Services

GTL's Managed Services allow operators to free themselves from non-differentiating tasks of building & operating the network and helps them focus on 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. Some of the offerings in which the Company has been able to showcase significant wins are :

- Project Delivery Support Services
- Network planning, Design and Optimization
- Field level Management – Active and passive
- Remote Network Infrastructure Management Services (RNIMS)
- Network Roll out Services

Network Optimization and Benchmarking

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 Optimization**

Verification Drive Test : With a site on air, it is necessary to check the performance of the new site. This is done through verification drive tests. The sites are checked for validating integration parameters and ascertaining call performance: call termination, call origination, handover, power control RX Quality and RX Level.

Parametric Optimization : Once a radio network is operational, its performance is monitored. The performance is compared against chosen key performance indicators (KPIs). After fine-tuning radio parameters, the results are applied to the network to achieve the desired performance. The main focus of radio network optimization is on areas such as power control, quality, handovers, subscriber traffic, and resource availability (and access) measurements.

Periodic Monitoring & Optimization of the Live Network throughout the Network life-cycle : Regular monitoring of the network health (new rollout and expansion) by doing drive tests and KPI maintenance.

- **Network Benchmarking and Audit**

Benchmarking Services is a comprehensive comparative analysis that provides details on in-market analysis and network review. The service evaluates performance against competition and measures network performance using a Drive Test to examine coverage and call quality. Tests are conducted for call availability, call quality, call set up success rate and handover success rate.

Site Audit is a process that identifies discrepancies between the design and implemented network.

Network Rollout Services

GTL offers a comprehensive suite of Network roll out services that supports every phase of the roll out process. The offerings include Active as well as Passive Infrastructure Services for Wireline & Wireless Domain including GSM, CDMA, Microwave Transmission, Optical Transmission, WiMAX and Broadband Networks.

GTL's Network roll out services enable customers to roll out their networks efficiently and benefit them with a shorter time to market, thus improving productivity and maximizing their investments into technology.

With experience from several projects around the world, GTL has a proven track record of timely and successful roll outs to customer satisfaction. Our multi-skilled technicians and professionals combined with our available processes and techniques create turnkey solutions by managing, integrating, installing and testing the customer's multi-vendor network.

- Site Construction Engineering
- Management Service
- Site Implementation
- Acceptances Services
- Site Documentation
- GTL's Value Proposition

POWER

The Company has discontinued Power DF business as detailed in the Directors' Report.

CASE STUDIES

Some of the unique projects that we are undertaking for our international customers, that have growth potential moving forward, are described below

4G / LTE network Planning and Design for a large overseas based Operator

For a large overseas Operator, we are leveraging Indian skill sets, to deliver Network Planning and Optimization project. The onsite teams located in the country, are used to collect field data, and the Indian resources, do the post processing work, generating feedback and recommendations, which the onsite team then takes forward. This approach has the following advantages:

- Faster completion of project
- Increased margins
- Ability to execute large and complex projects

Project Delivery Support Services for a large OEM

GTL has won a significant Managed Services deal with a leading OEM. The PDSS – project delivery support service, for their key customers O2, MBNL and Everything Everywhere.

This deal is the largest win for GTL in the Managed Services space and the duration of the contract is 26 months. The services offered under the contract would include Project Management, Site Solutions, Installation Planning of Radio and Core Sites, Transmission, Acquisition & other enabling works.

This contract is among the biggest deals that the OEM has signed with any of its vendors in Europe this year, and more importantly, this process had been core business and never outsourced. It is a long term deal in the Managed Services domain and has got the potential to be a great reference for GTL.

GTL has been successfully handling the Field Operations for nearly 50% of the sites for the Biggest GSM Operator for the last 5 years. The scope of work handled by GTL ranges from,

- Basic Passive Equipment Maintenance (Diesel Generators, Battery Banks, Power Management Units, Air Conditioners) to Solar Power Plants
- Active Equipment Maintenance (MW, BTS, BSC etc.)
- Access Management
- Site Security
- Electricity Bill Collection to Electricity Bill Payment
- Diesel Filling in Generators

It is one of the most comprehensive Managed Services contracts & GTL has been successfully managing it for the last 5 years.

Network Benchmarking Contract

GTL is one of a very few companies doing Network Benchmarking for an Operator on an outsourced model. This project envisaged us to invest one of the latest tools available in the market to do comparative analysis of our Customers & their competitors Network.

The scope of contract was to provide network improvement would have to be suggested by us in line with our analysis.

PROJECT ENDEAVORS

GTL has taken initiatives at field level to enhance efficiency resulting in better management of field operations. This initiative has allowed the Company to focus on customer needs of better uptime and optimum energy management.

EB initiative

GTL has taken initiative to increase grid power availability at its customer sites. Last year GTL has managed to bring new EB connections to over 500 sites and over 2700 EB reconnections across various circles. EB being the most reliable and cheap source of energy at site, it has been given prime importance at field level. With increase in EB availability the dependency on diesel decreases drastically not only saving cost at site but also reduces pollution which has its adverse effect on the environment. This initiative continues to be part future plans with intention to bring EB to all the sites.

Network Upgradation Project

GTL has undertaken Network Upgradation project for its customers with aim to upgrade & rectify the network to bring improvements in up-time. The project is divided into three phases across 25,000 cell sites covering Capex as well as Opex upgradation. End of life of equipment and additional equipment requirement for increased tenancy for upgrades are prime considerations for upgrade.

The major equipments deployed under CAPEX up gradation are Air conditioners, AC Controllers, AC Stabilisers and Sevo Stabilizers, Diesel Generators, AMF Panels, SMPS, Rectifier Modules, Battery Banks, PIU / PMUs etc.

The major rectifications undertaken under OPEX are Aircon rectifications, AMF rectifications, DG rectifications, Shelter Rectifications, SMPS rectifications, and EB rectifications.

Solar, Wind, Hydro and Fuel Cells Implementation

With focus on increasing alternate source of energy, GTL is looking towards Solar, Wind, Hydro and Fuel cell projects for its customers. The objective of project is to contribute to the efficient use of energy towards protection of environment by installing Green / Clean technology at telecom sites. GTL has initiated a pilot project of installation and operation of Fuel Cell System (FCS) instead of Diesel Generator (DG) over number of cell sites. FCS will address the DC power requirements on a 24x7 basis and EB & DG power will be used to power other AC loads at the sites and as back up.

Vehicle tracking

GTL has undertaken SMS based vehicle tracking solution in order to achieve dynamic reallocation of diesel filling teams to address site down & diesel outage issues specifically during force majeure situations. This activity has brought in quick response mechanism to achieve consistency of network uptime. It also helps in mitigating diesel related pilferages. The diesel availability and subsequent filling at site is controlled by NOC through sms based mechanism between site engineer and NOC. The entire activity along with consumption at sites is monitored through NOC which has resulted in improved and efficient diesel management and faster response in case of outages.

INDUSTRY STRUCTURE & DEVELOPMENTS

As the world telecom market moves from voice to data, the telcos face new technology and infrastructure related challenges in meeting their expansion and customer experience goals. The advent of technologies like 4G / LTE is further adding to those challenges. Operators are now opening up to the possibility of embracing the next wave of mobile broadband revolution – both on coverage and capacity increase of 3G and the adoption of 4G / LTE.

The challenges that the service providers are grappling with, are enumerated below.

These challenges throw interesting opportunities for service companies like GTL, which has a portfolio of service offerings in the above mentioned area and will aim to leverage the expertise gained in offering and addressing the same. GTL will address the challenge of LTE and new technologies internationally. The Middle East market is moving towards implementation of LTE and GTL is likely to offer its solutions based on our experience in the western world. The Asia pacific market especially Nepal is still at the nascent stage in terms of new technology. GTL is already in dialogue with the operators to implement 3G based solutions along with its energy solutions.

Broadly the customers are divided into three segments namely Operators, OEMs and Tower companies. GTL has unique set of solutions for each customer segment. Depending upon the evolution of technology cycle in each country of its presence, GTL offers its solutions to its customers.

OPPORTUNITIES AND THREATS

TELECOM

GTL's business operates in the areas of India, North America, Europe, Middle East, Asia Pacific and SAARC.

The growth markets of SAARC and Middle East region continue to offer opportunities for Network Deployment, Operations & Maintenance services. The SAARC region is also being explored for offering NOC based services.

The matured markets of North America and Europe 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 will concentrate to develop Network Services business in international markets. Domestically, GTL will continue to offer its services of Energy Management for the Telecom business.

Operation, Maintenance & 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. The roll out of 3G and 4G / LTE networks across this countries will expand the opportunity for Operation, Maintenance & Energy Management services.

Additionally in India Network expansion by existing operators in semi urban and rural areas is expected to drive demand for towers in the region. These regions are plagued with shortage of power. Currently 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 reduction of carbon footprint of the telecom industry. GTL plans to use innovative methods and processes, products and solutions that can bring down energy consumption.

The Company is looking at leveraging partnership with innovative companies in the field of Energy Management to bring down the energy consumption. The areas that are being looked at include fuel cells, reflective paints, intelligent Energy Management system etc.

4G Expansion

The Indian 4G market is expected to see a significant pick-up in subscriber base with launch of services in 2015 and a better ecosystem. India's 4G subscriber base is expected to touch about 80 million by 2018–19, with a better evolved ecosystem in place.

Reliance Jio Infocomm will launch its services in a phased manner in 2015 with initial focus on launches in Metros and Circle A, which are characterised by high data usage.

Though current pricing for data in 4G is comparable to 3G data tariffs, 4G pricing to decline by 10–20 per cent at the time of a more wide scale launch. It is expected, that other operators will follow with 4G launch. This provides opportunity for GTL to enhance its business portfolio with various operators in the industry.

Investment from Operators resulting in Higher Tenancy

With expected launch of 4G / LTE in 2015, 3G data tariffs will be aggressively priced going ahead, to aid migration of more subscribers to 3G from 2G. Operators will seek alternative strategies to push usage of high-speed services. This could include significant enhancement of the 3G experience either by launching 3G services using dual frequencies (at a lower cost) where the user experience is comparable to 4G or by freeing bandwidth in the current 2G spectrum to ensure higher capacity available to users for a better 3G experience. Investment on infrastructure is expected to increase in order to ensure better services to its end customers resulting in higher tenancy opportunity for GTL.

Dramatic changes in environment

Changes in global environmental conditions has been a concern in today's world. Climatic conditions have taken a hit not only in India but across the world. Impact can be felt with uncharacteristic changes in weather resulting in untimely rains, floods, temperature swings during day and night and devastation by cyclones. All this has impact on the energy requirement at sites, resulting in unplanned peak / low in energy requirement. This inconsistency result in higher energy cost and also attracts investments to enhance the site condition after such force majeure. Operators and Infrastructure companies need to ready themselves to tackle such unpredictable conditions in future.

FUTURE OUTLOOK

GTL's current business focus revolves around leveraging 3G / 4G expertise in network planning and optimization, and operations centric managed service solutions that help operators optimize their costs and enhance their revenues.

Moving forward, GTL is evolving a strategy focused on the Remote Network Infrastructure Management Services (RNIMS), Customer Experience Management Solutions building on our expertise in Managed Services, Planning and Optimization businesses. Some of the key shifts that the Company is contemplating in response to the evolving industry and technology landscape and in line with the Company's strategy to generate large annuity driven and high margin revenues are :

- **One time revenues (project based) to Recurring services revenues:** A significant chunk of the services business revenues are one time in nature, the Company would like to work towards a recurring revenue based and long term engagements
- **OEM dependency to Relationship with mobile operators:** We are highly dependent on our relationships / partnerships with OEMs, for generating business
- **Field manpower oriented services to move towards hybrid model utilizing high end tools:** Most of our current service offerings have revolved around resource centric offerings. Moving forward we intend to move towards high end technology services, which offer a chance to have a deeper and a recurring engagement with service providers as our customers. The Company is in the process of entering into partnerships with companies that provides tools and software solutions for Network Services
- **NOC to GDC:** The expertise gained in offering NOC to Indian customers is being leveraged to offer to international customers, with additional capabilities being built in niche service offerings

DISCUSSION ON CONSOLIDATED FINANCIALS

For the purpose of financial analysis, the figures in rupees for the FY 2014–15 and FY 2013–14 are converted into US\$ as under:

Particulars	FY 2014–15 (₹)	FY 2013–14 (₹)
Profit and Loss Account – 1 US\$ equals to	61.7172	61.7200
Balance Sheet– 1 US\$ equals to	62.5850	60.0850

Pre-elimination and Post-elimination Revenues of the Group

Particulars	FY 2014–15 (₹ Cr.)	FY 2013–14 (₹ Cr.)	FY 2014–15 (US\$ Mn.)	FY 2013–14 (US\$ Mn.)
GTL (Standalone)	2,069.41	2,265.11	335.31	367.00
International Subsidiaries	427.42	371.19	69.25	60.14
Indian Subsidiaries	Nil	Nil	Nil	Nil
Pre elimination Group Revenues	2,496.83	2,636.30	404.56	427.14
Less: inter- company elimination entries	0.90	3.28	0.15	0.53
Post elimination Group Revenues	2,495.93	2,633.04	404.41	426.61

SEGMENT REPORTING

“**Network Services**” comprises of Network Planning & Design, Network Deployment, Professional Services, Energy Management, Operations and Maintenance and Infrastructure Management. The Company discontinued power EPC and power distribution franchise business in 2015 due to losses, therefore revenue was lower.

The Segment wise Revenue is as follows:

Segment Revenue	FY 2014–15 (₹ Cr.)	FY 2013–14 (₹ Cr.)	FY 2014–15 (US\$ Mn.)	FY 2013–14 (US\$ Mn.)
Network Services	1,780.91	1,534.06	288.56	248.55
Power Distribution Franchisee and EPC	715.02	1,098.98	115.85	178.06
Total Segment Revenue	2,495.93	2,633.04	404.41	426.61

Cost of Sales, Services and Delivery

In the FY 2014–15 **Cost of Material and Services** stood at ₹ 2,164.26 Cr. (US\$ 350.67 Mn.) (86.71 % of revenue) as against ₹ 2,088.58 Cr. (US\$ 338.40 Mn.) (79.32 % of revenue) in FY 2013–14.

Employee Benefit expenses stood at ₹ 285.89 Cr. (US\$ 46.32 Mn.) (11.45 % of revenue) as against ₹ 283.70 Cr. (US\$ 45.97 Mn.) (10.77 % of revenue) in FY 2013–14.

Other Expenses includes Travelling, Conveyance, Rent, Consultancy, Provision for Doubtful debts and other expenses stood at ₹ 411.11 Cr. (US\$ 66.61 Mn.) (66.63 % of revenue) as against ₹ 116.05 Cr. (US\$ 18.80 Mn.) (4.41% of revenue) in FY 2013–14. The increase in Other Expenses mainly on account of Provision for bad debts & advances of ₹ 307.41 Cr. (US\$ 49.81) as against previous year ₹ 4.94 Cr. (US\$ 0.80 Mn.)

Interest and Finance Charges

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

Particulars	FY 2014-15 (₹ Cr.)	FY 2013-14 (₹ Cr.)	FY 2014-15 (US\$ Mn.)	FY 2013-14 (US\$ Mn.)
Interest Expense	520.79	582.67	84.38	94.41
Other Income				
Interest Income	25.53	13.95	4.13	2.26
Dividend from other Investments	Nil	0.01	Nil	0.00
Profit on sale of Current Investments (Net of diminution in value of Investments)	7.54	20.60	1.22	3.34
Lease & Rent Income	2.75	2.65	0.45	0.43
Profit on sale of fixed assets (Net)	0.58	0.03	0.09	0.00
Gain on Foreign Currency	26.29	19.37	4.26	3.14
Other Non-Operating Income	28.55	27.19	4.62	4.41

Exchange Variation

The Company and its subsidiaries execute projects in several countries and thus have exposure in several currencies related to bank deposits, payment to suppliers, receivables and loans. Fluctuations in currency exchange rates and interest rates are the potential risks in these transactions.

Provision for Tax

Provision for Tax	FY 2014-15 (₹ Cr.)	FY 2013-14 (₹ Cr.)	FY 2014-15 (US\$ Mn.)	FY 2013-14 (US\$ Mn.)
Income Tax	6.12	25.04	0.99	4.06
Deferred Tax	9.35	4.21	1.52	0.68
Total Tax	15.47	29.25	2.51	4.74

Balance Sheet Items

Equity Share Capital

As on March 31, 2014 the equity share capital was ₹ 157.30 Cr. (US\$ 26.18 Mn.). There is no change in GTL's Share Capital and as at March 31, 2015 share capital remains at ₹ 157.30 Cr. The details are as under:

Particulars	No. of Equity Shares	₹ Cr.	US\$ Mn.
Equity Capital as on March 31, 2014	157,296,781	157.30	26.18
Equity Capital as on March 31, 2015	157,296,781	157.30	25.13

The variation in US\$ Mn. is on account of change in exchange rate

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, 2014	650,000,000	650.00	108.18
Preference Capital as on March 31, 2015	650,000,000	650.00	103.86

The variation in US\$ Mn. is on account of change in exchange rate

Reserves and Surplus

Reserves and Surplus as on March 31, 2014 was ₹ 272.69 Cr. (US\$ 45.39 Mn.). In view of the loss during the period, the Company has not created Debenture Redemption Reserve.

Particulars	₹ Cr.	US\$ Mn.
Reserves & Surplus on March 31, 2014	272.69	45.39
Add:		
Profit during the year (Excluding Extra-ordinary Income Profit / Loss but after Prior Period Adjustment, Profit / Loss on associates, Reserves on Consolidation)	(1,114.89)	(178.14)
Translation & Reserve on consolidation	(31.47)	(5.03)
Reserves & Surplus on March 31, 2015	(873.67)	(139.60)

Net Worth

Particulars	₹ Cr.	US\$ Mn.
Equity Capital as on March 31, 2015	157.30	25.13
Preference Capital as on March 31, 2015	650.00	103.86
Reserves & Surplus on March 31, 2015	(873.67)	(139.60)
Total Net Worth	(66.37)	(10.60)

Loans

Long Term Borrowings as on March 31, 2015 was ₹ 1,869.36 Cr. (US\$ 298.69 Mn.) as against ₹ 2,256.07 (US\$ 375.48 Mn.) on March 31, 2014.

Net Fixed Assets

As on March 31, 2015 the net fixed assets were ₹ 313.24 Cr. (US\$ 50.05 Mn.) as against ₹ 537.43 Cr. (US\$ 89.44 Mn.) on March 31, 2014.

Long Term Investments

As on March 31, 2015 GTL's investments stood at ₹ 3,146.15 Cr. (US\$ 502.70 Mn.) as against ₹ 3,199.81 Cr. (US\$ 532.55 Mn.) as on March 31, 2014. GTL's investment in GTL Infra as on March 31, 2015 was ₹ 572.33 Cr. (US\$ 91.45 Mn.) as against ₹ 572.18 Cr. (US\$ 95.23 Mn.) as on March 31, 2014 after considering share in loss of investment and GTL's investment in CNIL as on March 31, 2015 was ₹ 1,637.48 Cr. (US\$ 261.64 Mn.) as against ₹ 1,637.48 Cr. (US\$ 272.53 Mn.) as on March 31, 2014. Thus, the unquoted and quoted investments are as given below:

Investments	₹ Cr.		US\$ Mn.	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Quoted				
Equity Share	572.33	572.18	91.45	95.23
Total Quoted	572.33	572.18	91.45	95.23
Unquoted				
Equity Share	1,708.92	1,722.73	273.05	286.72
Preference Shares	714.90	754.90	114.23	125.64
Debentures	150.00	150.00	23.97	24.96
Total Unquoted	2,573.82	2,627.63	411.25	437.32
Total Investment	3,146.15	3,199.81	502.70	532.55

Receivables decreased from ₹ 913.46 Cr. (US\$ 152.03 Mn.) as on March 31, 2014 to ₹ 550.83 Cr. (US\$ 88.01 Mn.) on March 31, 2015. Decrease in Daily Sales Outstanding (DSO) from 127 to 81 days.

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

Inventory as on March 31, 2015 was ₹ 98.26 Cr. (US\$ 15.70 Mn.) as against ₹ 121.98 Cr. (US\$ 20.30 Mn.) as on March 31, 2014.

Related Party Transactions during the Year

(₹ in Crore)

Particulars	Associates Companies	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Sales & Services	767.42	616.18
Reimbursement Expenses from	1.75	72.90
Interest Income	16.50	5.92
Rent Received	2.74	2.59
Purchases of Fixed Assets	Nil	6.50
Sale of Fixed Assets	0.35	0.41
Reimbursement Expenses to	415.35	375.77

Relationship:

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

RISK MANAGEMENT

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.

OVERVIEW

GTL took a decision to restructure its financial indebtedness in the year 2011-12 and has completed and implemented the Corporate Debt Restructuring (CDR). The current progress under the CDR plan is outlined in the Directors Report.

I. FINANCIAL RISK

Market Risk

The global perspective

According to IMF, global activity strengthened during the second half of 2014, but slightly lower than anticipated. The latest World Economic Outlook (WEO) states global activity to improve for 2015 and 2016, largely on account of recovery in advanced economies and emerging markets. However the global growth projected is slightly lower than stated in last WEO revised to 3.5% from 4% for 2015. WEO estimates global growth rate to be 3.8% in the year 2016.

- Robust economic recovery is expected to continue in the United States of America, where growth averaged about 4 percent in the last three quarters of 2014. The growth is a result of lower energy prices, tame inflation, reduced fiscal drag, strengthened balance sheets, and an improving housing market
- The Euro Area to continue to recover. Lower oil prices, lower interest rates, Euro depreciation and neutral fiscal stance, could boost the projected growth but the lingering Greek crisis and weak private investment could affect growth rate in 2015–16 in a negative way.
- Growth remained tepid across the Middle East, North Africa, Afghanistan, and Pakistan last year, and only a modest strengthening is expected this year.

World Economic Growth Estimates for 2013 – 2015 (Annual percentage Change)

	IMF			UN (Global World Output)			WORLD BANK		
	2014A	2015E	2016E	2014A	2015E	2016E	2014A	2015E	2016E
World	3.4	3.5	3.8	3.2	3.4	3.7	2.6	3.0	3.2
Euro Area	1.4	1.8	1.9	1.3	1.9	2.1	0.8	1.1	1.6
US	2.4	3.1	3.1	2.2	2.4	2.8	2.4	3.2	3.0
Japan	−0.1	1.0	1.2	0.0	1.2	1.1	0.2	1.2	1.6
Brazil	0.1	−1.0	1.0	0.1	−1.1	0.5	0.1	1.0	2.5
Russia	0.6	−3.8	−1.1	0.4	−3.0	0.1	0.7	−2.9	0.1
India	7.2	7.5	7.5	7.2	7.6	7.7	5.6	6.4	7.0
China	7.4	6.8	6.3	7.4	7.0	6.8	7.4	7.1	7.0
Sub Saharan Africa	5.0	4.5	5.1	3.3*	4.0*	4.8*	4.5	4.6	4.9

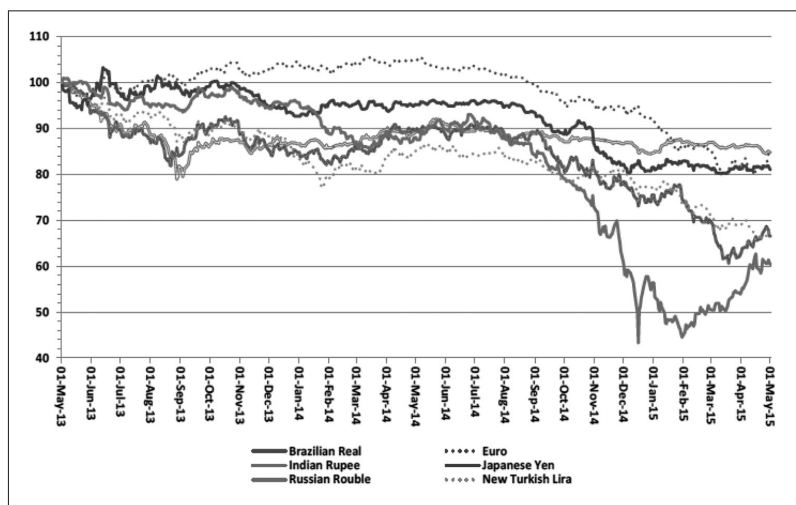
Sources: World Economic outlook (WEO) April 2015 by IMF; Global Economic Prospects, January 2015, World Bank; World Economic Situation and Prospects, mid 2015, UN.

Note: * These figures are for the entire African Continent

- Note Worthy fact being India's growth projections by IMF for year 2016 is higher than all BRICS Nations. India surpasses China's growth by 1.2%. for the year 2016.

Currency perspective

Exchange rates of selected currencies vis-à-vis the US dollar, 1 May 2013 – 1 May 2015 (Index: 1 May 2013=100)



Source: J.P. Morgan Markets; World Economic Situation and Prospects, mid 2015, UN.

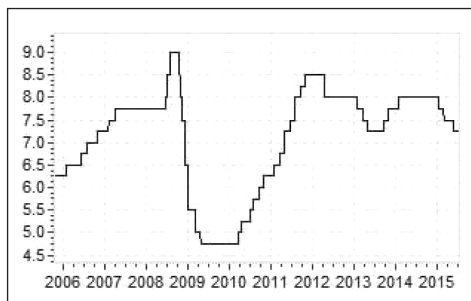
In this Fiscal Dollar (US\$) has shown strength as a result of positive outlook for the US economy and expectations of a widening monetary policy divergence between the United States Federal Reserve (Fed) and other central banks.

Compared to various currencies, INR has held its momentum against Dollar. Previous Chart shows movement of various currencies against US\$. A rise in the index indicates an appreciation in that currency vis-à-vis US\$

The Indian perspective

- Reserve Bank of India (RBI) shall continue to maintain current level of interest rates and has fixed the Consumer Price Index as the key economic marker to bring down interest rates. Interest rates are unlikely to soften significantly in the current financial year. Currently RBI reduced the Repo and Reverse Repo by 25 bps to 7.50% and 6.50% respectively showing faith in the Indian economy. RBI may continue to cut the interest rates as the inflation has made it within the Reserve banks' comfort zone.

Graph Indian interest rate RBI – long-term graph (RepoRate)



Source : <http://www.global-rates.com/>

Market risk is moderate for the Company owing to the CDR that has been completed, helping bring down interest rate to the extent of the rupee term loan exposure. The domestic currency risk has thus been successfully postponed

- The Company continues to have exposure to foreign currency loans in the 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.
- As the revenues from our existing business lines are all dependent on the sustainability of

Telecom sector, we believe that macroeconomic factors, including growth of the Indian economy, interest rates, as well as the positive 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 the main contributor to the Company's revenues, continues to face 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. Telecom operators have also bid for additional spectrum during the year and paid the government more than 18,000 Cr. This has further strained liquidity of Telecom Operators
- Due to 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. Due to adverse economic conditions facing the Company which have been discussed elsewhere in this annual report, in Consolidated Financial Statement, the amount payable to its lenders is as mentioned in the table below:

Post CDR certain developments severely affected Telecom Sector. The major developments are :

- Cancellation of 2G licenses upheld by Hon'ble Supreme Court in February 2012;
- Aircel Group's suspension of tenancy commitments in July 2013;
- Slower 3G & BWA growth since auctions;
- Freeze on expansion by Telecom Operators; and
- BSNL's decision to suspend expansion.

Negative impact arising out of downward trend in telecom industry, delay in policy decisions not only affected the business outlook of the Company but the expected valuation of its investments in Tower Companies in the group expected out of acquisition of Aircel Towers based on the future business outlook.

Power Sector

- No tariff revisions;
- Slash in power tariffs by 20% in Maharashtra; and
- Refusal of lenders to offer SBLC despite approval in CDR package.

To add to the woes, the recent cancellation by the Hon'ble Supreme Court of all but four of the 218 coal lock allocations by the government over the past two decades has had major implications for the power and energy sector.

As per earlier information provided, almost 30% of GTL's annual revenue, approx. ₹ 1,200 Cr., was from DF business. Already strained revenues and margins and cash flow will be irreparably impacted further due to the termination by MSEDCL of the DF contract. MSEDCL additionally has claimed ₹ 393 Cr. from the Company and invoked SBLC of ₹ 150 Cr. held by it under DF agreement.

These factors that are beyond management control, continue to impact GTL's financial performance and are affecting its ability to meet debt service obligations. The Company believes that MSEDCL claims are frivolous and without validity. The Company has a counter claim of ₹ 503 Cr. approximately.

• Borrowings

Inter Creditor Issues

The Company has ever since made all reasonable efforts within its control to implement the restructuring of the ECB and NCD facility.

However, restructuring of the ECB Facility could not close on account of certain factors beyond management control such as the financial impact of adverse developments in the telecom and power sectors, inter-creditor issues among various lenders of the Company on matters relating to *pari-passu* sharing of security, payment of interest to ECB lenders etc. Resignation by the ECB Facility Agent and also the ECB Authorized Dealer has further hampered GTL's efforts to restructure the ECB debt.

Similarly, with respect to the restructured NCD facility, while the Company and NCD lender have bilaterally agreed the terms, necessary approval from CDR lenders and consequent execution of the amended agreements and security documents to ensure *pari-passu* rights to NCD lenders to the Cash Flows and Security package of GTL is still awaiting approval of CDR Lenders.

Requests of GTL for release of certain interest / principal dues of ECB and NCD lenders have been denied by CDR lenders and not acted upon as CDR lenders are secured lenders and have no obligation towards NCD and ECB lenders.

In light of the inter-creditor issues, developments post CDR and alleged non *pari-passu* treatment to ECB / NCD lenders vis-à-vis CDR lenders, notices have been sent by ECB / NCD lenders to GTL and IDBI

Bank Ltd. (as Monitoring Institution to CDR Lenders) advising the Company to desist from:

- i. Making any further payment to CDR lenders till ECB / NCD interest / principal dues are paid;
- ii. Sharing the proceeds of Trust and Retention Account (TRA) on *pari-passu* basis with the CDR lenders going forward; and
- iii. Creating security in their favor.

Actions by ECB Lenders

Furthermore, certain ECB lenders have even filed recovery proceedings in the Hon'ble High Court of Justice, Queens Bench Division, Commercial Court, London. The Hon'ble Court vide its Order dated February 20, 2015 directed the Company to make payments in respect of the outstanding principal amount relating to these lenders in terms of the Loan Agreement dated September 8, 2006 executed by participants in ECB.

The Hon'ble Court has dismissed the application of the claimants for a summary judgment on their claims for interest. Further, the Court has also ordered payment of GBP 31,500 towards Claimants legal costs by the Company.

Actions by NCD Lenders

In addition to the aforesaid proceeding, on January 09, 2015 the NCD lender has filed a petition before the High Court of Judicature at Bombay inter alia seeking winding up of the Company and in the interim seeking an injunction against any disposal of assets & against making payments to the secured CDR lenders. Notice of filing was served on the Company on January 16, 2015. The CDR lenders and ECB lenders of the Company intervened. By its order dated January 28, 2015, the High Court asked the CDR lenders' position on the NCD holder's treatment on *pari-passu* basis. The matter is currently *sub-judice*.

Since all funds of the Company are subject matter of the TRA which is controlled by the CDR lenders, the question of payment to the NCD holder and ECB lenders does not arise, until and unless the CDR lenders decide on the issue directed by the Hon'ble Bombay High Court. In view thereof, as on March 31, 2015, none of the Directors of the Company are disqualified under Section 164(2)(b) of the Act from being appointed as Directors.

Initiatives by GTL

The Company continues to make efforts to improve cash flow to facilitate an equitable settlement of its debt amongst CDR, ECB and NCD lenders.

Reeling under industry happenings, beyond its control, the Company had submitted proposals without altering end date of debt repayment:

- a. Consolidating GTL Group Level debt at Holding Company (HoldCo) level (April 2013).
- b. GTL consolidated debt through Debt Realignment Proposal through fresh ECB and SBLC for repayment of rupee debt (September 2013); could not be implemented because of various delays in conclusive decisions till April 2014. RBI issued a circular on April 22, 2014 disallowing ECB and SBLC route for repaying rupee debt.

Under current proposal the steps envisaged, subject to necessary approvals, are:

- Sale of Operations, Maintenance & Energy business;
- Monetization of Investments in Tower Companies;
- Realization of Current Assets;
- Monetization of non-core assets;
- Formation of JV or raising new Capital; and
- Such other actions as may be deemed fit in the interest of all stakeholders.

For these initiatives, requisite approvals from Shareholders of the Company have been obtained at the 26th Annual General Meeting held on September 16, 2014 and through Postal Ballot for creation of charges / mortgages and for sale / disposal of the whole or substantially the whole of the undertaking(s) of the Company result of which was declared on September 25, 2014.

The Company has appraised CDR / NCD lenders of the above initiatives and presented a plan for their consideration at the Joint Lender Forum meetings held on November 13, 2014, September 01, 2014 and June 17, 2014.

While the Company continues to engage with all the 3 sets of lenders, viz. ECB Lenders, NCD Lender and CDR Lenders separately to find a resolution to such challenges, which are beyond management control, we believe that given the challenges of telecom and power sector scenario and its resultant impact on the financial performance of GTL, a joint engagement between all the sets of lenders and GTL to draw a long term road map to resolve the issues is essential.

The Company believes that in view of the current unsustainable debt levels and the continued bleak outlook in the telecom sector, the most viable option

for the Company would be to divest its assets and enter into a negotiated / one-time settlement with its lenders. The Company has submitted this proposal before the forum of lenders in the context of winding-up petition filed by the NCD holder against the Company, where the CDR / ECB Lenders have also intervened. The matter is currently *sub-judice* and has impacted GTL's ability to meet commitment under MRA.

CORPORATE DEBT RESTRUCTURING

The Company has implemented Corporate Debt Restructuring (CDR) Plan for its Rupee Term Loan.

In view of overall set-back in the Company's business operations, cash losses have been incurred which has resulted in substantial erosion of the Company's net worth.

In addition to the above, certain disputes among inter-creditor has caused delay in restructuring of ECB facility and execution of amended agreement with NCD lender and has resulted in initiation of legal proceedings against the Company which *inter-alia* seeks an injunction against disposal of any asset and making payments to secured CDR lenders and liquidation of the Company. The Company has taken appropriate legal steps in these matters to defend / protect its interest.

Considering the developments post-CDR, inter-creditor issues (which is beyond management control) and actions initiated by ECB and NCD lenders, the Company has submitted Settlement proposal for which the Company has envisaged / planned steps, such as sale of Operation Maintenance & Energy (OME) business (part of Network Services), monetization of investment including in Tower Companies, monetization of non-core assets. The Company is awaiting lenders approval / consent and resolution to inter-creditor issues.

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 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

II. STRATEGIC RISK

Industry Risk

- The telecom operator's growth plans which had been affected due to various factors like low ARPU, lack of liquidity, high domestic interest rates and uncertainties in Telecom Regulations have been significantly addressed by the following steps
- The Government has permitted 100% FDI in the telecom sector for both Telecom Operators and Tower Operators. This is expected to give a major boost to FDI in the sector and ameliorate a lot of liquidity issues facing the sector
- The telecom regulator TRAI conducted auction in February 14 and the Auction saw success where a new entrant Reliance Jio actively participated for 1800 MHz Spectrum. Only 8 major operators participated of which incumbent operators like Vodafone, Bharti Airtel, Idea Cellular bid for the spectrum in Metros and Circle A where GTL has major operations. Further the auction saw successful bidding over ₹ 28,000 Cr.
- The new government and the successful auction could mean positive avenues for the industry in the next year which will lead to growth in this sector
- The 3G services have not yet attracted desired level of customers and still witnesses slow growth. But it is anticipated that 3G will pick up in the coming year which will have positive impact on the Company's business prospects and growth
- Until 2012 India had lowest mobile-phone penetration rate in Asia but this has changed. Now India has the second largest base of mobile subscribers in the world and has one of the fastest growing mobile internet base across the world

All the above mentioned factors could lead to positive changes in the sector in times to come

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.

Almost 85% 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 performance 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

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 Optimization the competition is from IT firms but not from any telecom players

III. OPERATIONAL RISK

Reputation Risk

- The Company still continues to face reputation risk due to the multiple factors like erosion in market capitalization, the CDR, 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

- Certain banks had incorrectly withheld release of sanctioned limits of PBGs and working capital which also one of the reasons for discontinuation of Power DF

Manpower Risk

- The Company's earlier ESOS plans have taken a significant value erosion and most options granted to employees are now out of the money therefore may not be a likely retention tool for employees in the near term and may lead to higher attrition.

However, the Company hasn't seen significant attrition. The Company has also chalked out a good incentive and reward scheme for employees and has thus been able to retain most of its quality manpower resources

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 businesses like Energy Management 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 increase in penalties

Regulatory Risk

- The business segments that the Company operates in are heavily regulated by multiple regulators like TRAI, DOT etc. so the operations of the Company may be subject to regulatory uncertainties and also impact on profitability

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.

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	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 SYSTEMS AND THEIR ADEQUACY

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

1. Objective

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, 2015 GTL has 5,043 associates directly or indirectly working for the Company as against 6,383 associates in March 31, 2014.

2. Talent Management

Organizations are made up of people creating value through proven business processes, innovation, customer service, sales, and many other important activities. As an organization, we strive to meet our business goals, by making sure that we have a continuous and integrated process for recruiting, training, managing, supporting, and compensating people.

Based on the business growth, we source and recruit close to 100 professionals every month. Talent acquisition helps us to enhance efficiency and also bring about positive cultural change within the Organization.

3. Learning & Development

Learning and Development (L&D) strategy is an organizational strategy that articulates the workforce capabilities, skills or competencies required to ensure a sustainable, successful organization and that sets out the means of developing these capabilities to underpin organizational effectiveness.

Training has implications for productivity, health and safety at work and personal development. Training Need Identification (TNI) is arrived at from our Performance Appraisals' system. TNI helps employees do their work more effectively and efficiently. Based on training requirements provided by divisions / departments a Training Calendar is prepared and circulated.

GTL's training plan bears a direct and powerful relationship to its ability to recruit and to retain employees. GTL offers training opportunities that help employees become more proficient in their work and follow a career path to fulfill their career aspirations.

Effective training can help retain employees by giving them skills they need to make a difference and the confidence to keep trying, learning, and growing professionally.

In the last year our main focus was on Teamwork, Communication, Etiquettes & Grooming Programs.

Trainings:	No. of Employees Trained:
Behavioural	766
Technical	805
HSE	84
Total	1655

4. Health, Safety & Wellbeing

As a leading Network 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.

Regular trainings on awareness on HSE issue are conducted. Employees are encouraged to participate in the community activities initiated through Global Foundations, like health awareness seminars, marathons, Cyclothons etc.

Employee health and safety are priority concerns. We engage in a wide range of initiatives and programs to afford them appropriate protection in the workplace. We also have an in house Medical Centre.

During the year under review, no complaint / case has been received in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder.

5. Employee Engagement

The employee engagement initiatives at GTL are undertaken with an objective of shaping a positive experience that drives advocacy, productivity and profitability. We strive for consistency and a two way communication flow – top down and bottom up, and communication that gives clarity on performance and feedback and overall, shapes organizational culture. Towards these objectives, we have several initiatives that are giving positive results.

- **Rewards and recognition process**

We understand the importance of developing a recognition and reward program to recognize the accomplishments and validate the work of our employees.

218 employees have been recognized for their efforts through Passion for Action Program . We plan on expanding the scope of this program by recognizing performers across many more categories.

GTL aims to achieve number of results through recognition and reward programs, including:

- **Motivating and reinforcing high performance**

- Creating a positive work environment
- Attracting and retaining employees
- Creating a culture of recognition
- Increasing employee morale
- Supporting the organization's mission and values
- Encouraging loyalty

- **Internal communication newsletter**

The Globalite – Internal Newsletter is a valuable communication tool and is released on a monthly basis. Information is conveyed to employees that involves both work and social activities. This includes, accomplishments, general information and how the Company is operating.

6. Looking forward the year ahead

- Improve on training system to ensure better skill upgradation. Developing our talent and ensuring that our employees have the right skills and competencies is a priority that will continue. We are committed to providing employees and administrators with the tools and skills they need and we plan on enhancing our existing offerings and developing new offerings to ensure employee success
- Raise the bar in the Reward & Recognition program by broad basing the program

QUALITY & PROCESS

Our Quality Management 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 taken 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:

- Ramakrishna Bajaj Performance Excellence Trophy in 2008– 09
- Ramakrishna Bajaj Outstanding Achiever Trophy in 2010– 11 for 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 2014–15.

- Continuation of the ISO 9001:2008 (Quality Management System requirements) Certification
- Continuation of the ISO 14001:2004 (Environment Management) and OHSAS 18001:2007 (Occupational Health & Safety Assessment Series) 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 as well as etiquettes were conducted for Employees .

CORPORATE SOCIAL RESPONSIBILITY

The objective of CSR at GTL is to take a balanced approach to address economic, social and environmental issues through diverse programs in the field of education, health, disability and community development.

GTL's CSR activities are channeled through the Global Group's not-for-profit arm i.e. Global Foundation. Since the Company is currently in CDR, it is not contributing to the Global Foundation which is being managed through the generosity of employees and other donors.

We take this opportunity to thank all our employees for their continued commitment and support through the payroll-giving program and for actively participating as Positrons (volunteers).

Employee Volunteerism Program

In addition to financial donations and in-kind support, employee volunteer programs allow companies to cultivate a personal link to the community. At Global we have realized that if employees are given the opportunity to pursue their social commitments, they get a sense of work-life balance and a renewed appreciation of their jobs. Employees who volunteer their time for the Foundation are known as Positrons—People who exude positivity.

Positrons are the lifeline of our CSR activities, through their continued commitment towards the Foundation's objectives. The Foundation has been able to engage employees in a number of activities & projects.

Art of Giving (Payroll Giving Initiative)

Art of Giving is a voluntary payroll giving initiative of Global Foundation through which employees provide financial contributions for the long-term sustainability of projects. More than 880 Global Group employees regularly donate to the Foundation.

The Foundation has been a pioneer in choosing projects that have an impact on people's lives.

Mapping of CSR Projects to the new CSR Guidelines as per the new Companies Act, 2013

Projects undertaken	Area under Schedule VII of new Companies Act – 2013	Clause of Schedule VII
Education		
GyanIT, Gyanjyot, Knowledge on Wheels & Education for Peace	Promoting education	2
Health		
Aarogya	Promoting preventive health care	1
Disability		
Project Netra & Project Drishti	Promoting education and employment enhancing vocational skills among the differently abled	2
Community Development		
Borderless World Foundation	Support for Jammu & Kashmir Flood Relief	1
Project Grihapravesh	Setting up homes and reducing inequality faced by social and economically backward groups	3
Village Knowledge Centres	Empowering women	2
Standing Together Enable Peace Trust (STEP)	Support for Youth centre development at J&K	2
Cricket Association for the Blind in Maharashtra	Support for organizing the blind cricket	1
Shri Lalita Charitable Foundation	Support for constructing school for students affected by Cancer and Aids	2
Environment		
Pedal for Peace & Veloraid	Ensuring environmental sustainability / (road safety awareness)	1 & 4

Most of these initiatives have been in progress for over fifteen years. As we look back there is an overwhelming sense that these initiatives are seamlessly aligned with the national vision of our Hon'ble Prime Minister—one such being the recently launched Digital India.

Computer Education for the blind, Knowledge on Wheels (KNOW), Computer education programs in schools in rural areas and computer training for senior citizens are some of the programs which has helped ensure that the under-served are not left behind but on the other hand, are IT ready. It's humbling to realize that in our zeal to reach out to the under served communities through our various computer education programs, we have already made significant inroads to make the Digital India Movement a reality.

Even as we are making efforts to digitally enable the community, we also realize that working knowledge of English is equally important. Moving in this direction, we intend to launch English training program not only for students but across other sections of the community.

'Swachh wadi, Sunder gaon' is another significant and exciting program that was launched in response to the Hon'ble Prime Minister's 'Swachh Bharat Abhiyan'. Teachers and students in various towns and villages of Sindhudurg cleaned up public places. Soon the community got involved too. It did not end there. Students conducted surveys in villages regarding sanitation and health.

EDUCATION

Our philosophy towards education is to ensure meaningful education to the economically under served sections so as to enable them to compete on equal footing. The education program covers 3 areas – Computer education, English language education and Value education to students. We do this through the following programs.

Gyan IT – Computer Education

The field of education has seen a fair number of transformations over the years. In this age of rapid technology growth; we see a world which is more connected than ever before. Global Foundation had the vision to map these changes very early in the 90's and worked towards making a part of Maharashtra computer literate by setting up labs in schools in the Sindhudurg district.

One of the greatest advantages of having labs in schools is the fact that everyone can have equal access to computers. All students who have little or no access to computers in today's day and time are able to learn technology and build a better future for themselves through those labs.

Last year Global Foundation successfully set up 27 computer labs which benefited approximately 2,600 students. The Foundation has set up more than 133 computer labs all over Sindhudurg district in the last 11 years which has benefited more than 188,000 people.

Knowledge on Wheels (KNOW)

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 43,361 students have been covered in this program. At present the KNOW bus is traveling through Sindhudurg district training the school children for whom computer education is a challenge. The tremendous response from that area has also been seen and appreciated by educationists who have requested that a similar kind of bus is launched in other such areas.

Gyanjyot Education 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 students belonging to poor families so as to enable them to pursue and complete their education. Year 2014–15 saw many students taking advantage and more than 1400 students were supported financially under this program. To date the Foundation has provided 5,584 scholarships.

Education for Peace – Value Education

Education for Peace program (EFP) is our contribution to build a better future by empowering school teachers and students. Education for Peace implies a paradigm shift in the total transaction of education. The training enables and equips teachers to nurture among children knowledge, attitudes and values that comprise a culture of Peace. It is a long-term proactive strategy to nurture peaceful persons who resolve conflicts non violently.

Education for Peace has taken a huge leap in the year 2014–15 in terms of diversity of activities for students and content, delivery and coverage for teachers. Professional trainers were assigned to design a competency training program—"Antarjyot" which covers six competencies to build required skills to transform teachers to become Peace educators. The design also lends itself to be measured to facilitate scaling up.

Another milestone has been partnering with like minded organizations working in this field. Outcomes have been experience-sharing, training the trainers and collaborating with partners in framing and designing the curriculum for peace activities as envisioned by UNESCO and NCERT.

EFP is holistic, embracing the physical, emotional, intellectual and social growth of children within a framework of human values.

- **Teachers:** The Foundation has created a competency based framework to train teachers on Holistic Thinking, Interpersonal Skills, Execution Excellence, Transformational Leadership, Problems Solving and Decision Making and last but not the least Communication and Etiquettes.
- **Students:** Schools of trained peace educators along with our team facilitators are encouraged to form Harmony Clubs where students are given opportunities to experience and internalize Peace values. Activities like camps, yoga classes, rallies with peace messages, drawing and literary competitions and annual summer camps are held.

EFP activities in 2014–15

	Kudal	Aurangabad	Mumbai and Navi Mumbai
No. of schools enrolled	35	5	5
No. of teachers trained	145	48	37
No. of children enrolled in peace clubs	1,500	250	Work-in-progress

HEALTH & SAFETY

Aarogya

Health does not merely mean the absence of a disease but also the general well being or freedom from an illness. The Indian population is weighed down by diseases due to lack of environmental sanitation and safe drinking water, malnutrition, poor living conditions, and limited access to preventive and curative health services. Expenditure on health care in our country has been minimal and hence there is a gap in the urban & rural medical services.

Global Foundation has been creating health awareness in parts of Maharashtra and is conducting general health camps, diabetes awareness, ophthalmic and blood donation camps for more than 11 years. Hemoglobin checkup camps have helped people identify and treat many potentially harmful diseases. The mobile health van services are provided free of charge.

Global Foundation's mobile health van travels to areas that do not have ready access to health services. Our van enables doctors and health counselors to overcome the obstacles that often prevent or deter people from obtaining important health tests. The van frequently visits community centers, old age homes and schools also to conduct various health related camps.

The team at Kudal has been working towards building up a strong preventive health care service system. The year 2014–15 several camps were organized and notable among are :

	Camps	Beneficiaries
General Health checkup & Eye checkup	5	317
Cataract detection and operation	1	43
Blood donation	6	692
School Health checkup	12	2,908
Spectacle distribution by Serva Shiksha Abhiyan	1	110

Emergency Medical Assistance

As per the World Health Organization (WHO) survey, there are around 30% people who die due to lack of adequate Emergency Medical Services. Emergency financial assistance for treatment is an essential part of the healthcare support provided by Global Foundation. We have also provided a couple of ambulances and medicines in the aftermath of the floods in J&K. Therefore, developing a strong emergency medical assistance system has been one of the focal points of the overall health care objectives of Global Foundation.

DISABILITY

Netra

Global Foundation's project Netra for the visually impaired has an Advanced Computer center in Mumbai. Global Foundation intends to provide training and enables the visually impaired achieve success in pursuing higher education, cope with a competitive work environment and discover better employment opportunities.

The Computer courses are supported by additional soft skills and personality development programs by Positrons and other volunteers. Refresher courses and sessions on the interview process are conducted to enhance their job prospects. Last year a total 35 students were awarded certificates on successful completion of their courses. Many of them have found jobs in the IT sector, banks and have become financially independent. At present 18 students are currently undergoing the basic & advanced computer course at Global Foundation's Advanced Computer Center for the Visually Challenged at Mumbai.

The Foundation encourages students and trainers to seek better opportunities in the main stream corporate sector. Many students as well as past trainers have gone on to do very well in their professional careers after training.

The Foundation has also supported the Cricket Association for the Blind in Maharashtra to conduct Blind Cricket Tournament in FY 2014–15.

COMMUNITY DEVELOPMENT

Community Development supports the establishment of strong communities who work together to improve the social structure of a country.

Towards this, the Global Foundation has supported in constructing the building of a School at Alibaug in the state of Maharashtra that enables more students to be admitted in primary section. The Foundation has also provided bio toilets in some schools.

We also supported 4 shelter homes for girls in J&K by providing them with solar lamps, inverters and UPS that would assist them with their education and livelihood since they were adversely affected due to the floods.

Village Knowledge Center (VKC) – IT Education for Women & livelihood skill training programs

The VKCs have benefited women mainly housewives by generating employment and improving their standard of living. It's also a center for learning and awareness in rural areas. Women earn a decent amount without having to leave their homes for longer duration. This has added to their self esteem and confidence.

At present Global Foundation supports two VKCs in Kudal and Vengurla which provides computer education and vocational training to women. Special tailoring batches for girls, soft toy training and purse making have benefited women in the vicinity. Additionally women have also taken advantage of the computer training programs and have found jobs near their homes.

Global Foundation's support to other NGOs and institutions during the FY 2014–15

- Borderless World Foundation – Support for Jammu & Kashmir (J&K) Flood Relief
- Standing Together Enable Peace Trust (STEP) support for Youth development centre at J&K
- Shri Lalita Charitable Foundation – Support for constructing school for students affected by Cancer and AIDS

ENVIRONMENT

Pedal for Peace Cyclothons

The Government of India has been taking several measures to promote cycling as an alternate means of transport. The objective being to decongest roads, promote sustainable cities and greener environment. Recognizing this as an important initiative, the Foundation, has started promoting cyclothons to spread the awareness of cycling, greener environment and also to ensure safer roads for pedestrians and cyclists.

Global Foundation supports Pedal for Peace cyclothon, an annual event, that is held with an objective to promote the message of cycling, peace and harmony. The cyclothon is organized from Thane to Mumbai and back, covering a distance of more than 100 kms. So far the cyclists have covered more than 13,100 kms spreading the message of cycling and peace.

Standard Chartered Mumbai Marathon (SCMM)

Every year Global Group employees participate in the Standard Chartered Mumbai Marathon to support the Global Foundation. This year 112 persons took part to support and donate to the Global Foundation.

ENVIRONMENT EXCELLENCE

GTL Limited is an Energy-conscious, Environment-friendly Business Organization. The Company has been taking various measures to achieve continual sustainable development and has put in a comprehensive Environment at Management System (EMS). 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 relevant laws of the land and provides for a work environment that is safe.

2) Consumption of Natural Resources

The Company also actively monitors the consumption of electricity, water & paper. As an offshoot from the EMS, GTL developed Green Energy based Solutions for Telecom Towers under the Energy Management System. 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.

Your Directors submit Twenty Seventh Annual Report together with the Audited Accounts for the year ended March 31, 2015.

1. STATE OF THE COMPANY'S AFFAIRS:

FINANCIAL HIGHLIGHTS

(₹ in Crore)

Particulars	FY 2014–15		FY 2013–14	
	Consolidated	Standalone	Consolidated	Standalone
Total Income	2,586.59	2,151.34	2,716.82	2,338.22
Profit / (Loss) before Depreciation, Interest and Financial Charges (Net) and Tax (PBDIT)	(274.67)	(54.11)	228.46	205.99
Profit / (Loss) before Depreciation and Tax (PBDT)	(795.45)	(522.35)	(354.22)	(333.64)
Less: Depreciation	139.99	126.22	126.72	110.95
Profit / (Loss) before Tax, exceptional item and extra-ordinary items	(935.44)	(648.57)	(480.94)	(444.59)
Exceptional items	(152.72)	(152.72)	(26.65)	Nil
Less: Provision for Taxation (incl. Short Provision for Income Tax and Deferred Tax)	15.47	Nil	29.25	25.18
Profit / (Loss) after Tax (PAT) before Extra-ordinary and Prior Period items	(1,103.63)	(801.29)	(536.49)	(469.77)
Add / (Less): Extra-ordinary item	Nil	Nil	Nil	Nil
Add: Minority Interest	0.55	N.A.	0.34	N.A.
Add: Share of Profits in Associates	(11.81)	N.A.	(24.89)	N.A.
Add: Balance brought forward from the last year	(943.39)	(1,138.23)	(382.00)	(668.46)
Profit / (Loss) available for Appropriation	(2,058.28)	(1,939.52)	(943.39)	(1,138.23)
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	(2,058.28)	(1,939.52)	(943.39)	(1,138.23)

2. RESULTS OF OPERATIONS AND BUSINESS OVERVIEW

Results of Operations

The financial highlights on standalone basis for the year are as follows:

- Revenue for the financial period under review was ₹ 2,069.41 Cr. as against ₹ 2,265.11 Cr. for the previous financial year.

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

Consequent to the enactment of the Companies Act, 2013 (the Act) applicable from April 1, 2014, the Company has reassessed the remaining useful life of fixed assets under Schedule II to the Act. This has resulted in additional charge of depreciation of ₹ 26.54 Cr. for the year ended March 31, 2015.

In January 2010, the Company had sought shareholders consent for investment in tower companies, GTL Infrastructure Limited (GIL) and Chennai Network Infrastructure Limited (CNIL), for expansion of telecom network

of tower companies by purchase of tower business of Aircel. CNIL acquired tower portfolio of Aircel in the year 2010 with commitment from Aircel for 20,000 additional telecom sites over three years. In turn, the Company was expecting revenue worth ₹ 17,100 Cr. from CNIL / Aircel during the year 2010 to 2015. Unfortunately, Aircel cancelled / terminated its plan to expand 20,000 towers in July 2013. Consequently, the Company suffered huge losses due to loss of business opportunities, which also resulted in pile-up of inventory and suppliers advances. The Company is negotiating with suppliers of advances given and as a prudent accounting practice, has provided an amount of ₹ 10,600 Lac against these advances.

As part of settlement, the Company received an amount of ₹ 34,500 Lac from Aircel Group of companies, which *inter-alia* includes payment for settlement towards the vendors various claims.

The Power Management segment has been substantially affected by the losses plagued by Discoms and their restructure and the reduction in tariffs by various Governments and also termination of Distribution Franchisee (DF) agreement during the third quarter of FY 2014–15 by the Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of certain contractual issues. This business has, as a result, been discontinued by the Company.

The Network Services segment continues to be impacted by cancellation of 2G licenses, Aircel group's suspension of ROFR commitments / tenancy commitments, slower 3G & BWA expansion, suspension of BSNL expansion and general economic slowdown.

Thus, in view of overall set-back in Company's business operations, cash losses have been incurred which has resulted in substantial erosion of the Company's net worth.

Going Concern

At the outset, it may be noted that the management neither intends to liquidate the Company nor cease operations entirely. Moreover, the management believes that there are realistic and concrete alternatives which would prevent the occurrence of such eventualities.

For reasons beyond the control of the Company's management (including the factors which have adversely impacted the telecommunication and power sectors in India as a whole), the Company was constrained to restructure its debt under the Corporate Debt Restructuring (CDR) mechanism effective July 2011. The CDR proposal also envisaged certain restructuring of the existing External Commercial Borrowings (ECB) and the Non-Convertible Debentures (NCDs) issued by the Company. However, on account of certain inter-creditor issues, these restructuring could not be implemented and are consequently delayed.

These issues have resulted in legal proceedings being initiated against the Company in few forums, including a winding up petition filed by the NCD Holder before the High Court of Bombay. In the said proceedings, the CDR and ECB lenders have intervened.

In view of the debt burden, the slow revival of the telecommunication sector and the termination of the power business, there may be doubts on the Company's ability to repay its creditors. However, the management is of the view that such events or conditions can be mitigated / counter balanced by the fact that the Company has submitted a negotiated / One-Time Settlement (OTS) plan for settlement of the outstanding debt with all of its lenders (CDR, ECB and NCD). The proceeds as may be realized from sale of certain business divisions and sale of assets and investments, some of which are already contemplated under the approved CDR package will be utilized towards meeting settlement proposal. The OTS proposal and certain other inter-creditor issues (as required by the High Court of Bombay) are currently being considered before the CDR lender forum. The issue is therefore *sub-judice* before the High Court of Bombay.

The management is of the reasonable opinion that the OTS proposal will be finally approved by ECB, NCD & CDR lenders of the Company. Post such approval and implementation of such OTS proposal, the above mentioned circumstances and events which could cast an impact on the Company's debt repayment would cease to exist. The Company, which is and always has been inherently a services company, would be in a position to continue with services operations which it currently undertakes as well. The Company currently retains required senior management personnel and proposes to draw on their expertise to pursue such services business going forward.

In view of the above, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

Business Overview and Recent Developments at Macro & Micro Economic levels

The wireless telecom industry has shown increase in subscriber base to 960.58 Mn. at the end of February 2015 against 903.36 Mn. at the end of February 2014, registering a growth of 6.33% y-o-y for this fiscal compared to approx. 5% growth the year before. The share of urban subscribers declined to 58.01% at the end of February 2015 from 59.16% in February 2014 vis-à-vis the share of rural subscribers which increased to 41.99% at the end of February 2015 from 40.84% at the end of February 2014. With this, the overall tele-density in India has shown marginal improvement at 76.60 at the end of February 2015 vis-à-vis the overall tele-density of 72.92 at the end of February 2014. (Source: Telecom Regulatory Authority of India, Press Release dated April 10, 2015)

India saw fastest growth in subscription base with approximately 65 million new connections in FY 2014–15.

Growth Drivers

It is observed, globally, Telecom industry is a vital sector for the overall development of a nation. It is catalyst to growth and modernization of a nation. Given the recent developments, we have identified a few growth drivers for the coming few fiscals.

1. 2015 Spectrum Auction was successful with ₹ 1.10 Lac Cr. investment by the industry signaling restored faith in business prospect
2. Industry Friendly and liberal policies:
 - a. Government plans to allocate the Spectrum auctioned in March 2015 by end of this year
 - b. Government's ambitious US\$ 1.1 bn Smart City program to facilitate telecom growth
3. FDI attractive market
4. Subscriber base continues to see upward trend
5. 3G and 4G rollouts expected to lead to machine to machine (M2M) growth in India in FY 2016–17
6. Reliance Jio the only Pan India license 4G provider to roll out 4G in this fiscal
7. India a Data usage driven economy (Nokia Networks' MBit Index study)
 - a. Mobile data traffic generated by 2G and 3G services has risen by a whopping 74 percent during the course of the last year
 - b. Use of 3G devices capable of supporting a speed of upto 21.1 Mbps increased from 23% in 2013 to 54% in 2014
 - c. Average monthly data consumption by a 2G consumer was seen to be 216 MB during 2014, an increase of 48% during 2014.
 - d. The average data consumed by a 3G consumer, on the other hand, 688 MB which is an increase of 29% during the year just ended
8. India to be 4th largest Smartphone market in the world
9. Tower Network vital for growth mapping and to see growth in the near future

Major Developments in the industry (source: A brief Report on Telecom Sector in India – Jan. 2015, CCI Pvt. Ltd.)

1. Reliance Jio Infocomm has signed an agreement to share telecom towers of GTL Infrastructure Limited. Seventh Tower sharing agreement by Jio
2. Ericsson has won US\$ 9.42 Mn., 3 years operations support system deal with Reliance Jio
3. A probable joint venture between Japanese telecom player Softbank and Bharti Group. At beginning of the year SoftBank has announced its willingness to invest US\$ 10 Bn. in India
4. Bharti Infratel plans to take over telecom towers of few operators at a valuation of approx US\$ 785 Mn.
5. Bharti Infratel plans to explore acquisition opportunities in neighboring countries

Salient Features of Spectrum Auctions 2015 (source: <http://telecomtalk.info>)

- a. Reliance Jio won 800MHz spectrum 10 circles, Reliance Communications in 11 circles and Tata Teleservices in 5 circles
- b. Bharati Airtel won 2100MHz spectrum in 7 circles, Vodafone in 5 circles and Idea in 1 circle
- c. Bharati Airtel won 900MHz spectrum in 10 circles, Vodafone in 8 circles, Idea in 9 circles and Reliance Communications in 2 circles
- d. Bharati Airtel won 1800MHz spectrum in 6 circles, Vodafone in 3 circles, Idea in 6 circles, Reliance Jio in 6 circles, Reliance Communications in 5 circles, Aircel and Tata Teleservices in one circle.
- e. Reliance Communications lost 900MHz spectrum in 5 out of 7 circles it held.
- f. Latest auction won spectrum liberalized for use with any technology and valid till 2035.

The stability in the Government at Centre is expected to have a positive effect on policy and investment climate, leading to telecom industry growing in the coming years.

As the Indian telecom market moves from voice to data, the telcos face new technology and infrastructure related challenges in meeting their expansion and customer experience goals.

Termination of Power DF contract by MSEDCL

The Company had entered into Power Distribution Franchisee (DF) agreement with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for Aurangabad Urban Circle I & II in February 2011 and commenced the power distribution activity from May 1, 2011. This contract was for period of 15 years, subject to terms and conditions thereof. The Company had incurred losses in its DF business on account of various factors such as, higher Transmission & Distribution (T&D) losses, non-revision of tariff from consumer and other several unresolved operational and contractual factors with MSEDCL. Moreover, Performance Guarantee to the extent required under the contract could not be provided to MSEDCL, as some of the lenders did not provide the same, though approved in CDR package. MSEDCL, vide its notice dated November 10, 2014, terminated DF agreement effective November 17, 2014 and also en-cashed guarantees of about ₹ 15,100 Lacs provided for performance.

The reconciliation and settlement of several claims of the Company and MSEDCL are under process and appropriate effect in respect of the same will be given in financials on conclusion of the said process. The Company has valid claims against MSEDCL, which are under discussion.

Pending reconciliation / settlement, the Company has made necessary disclosure as required by Accounting Standard (AS) 24 for Discontinued Operations.

Investments

The Company has investments in Associates, GTL Infrastructure Limited (GIL) and Chennai Network Infrastructure Limited (CNIL). Both, GIL and CNIL have been admitted into CDR. The CDR package provides various financial restraints on these associates for transferring funds to the Company. Based on the legal opinions sought by the Company, such restraints faced by GIL and CNIL constitutes severe long term restrictions, significantly impairs their ability to transfer any funds to the Company as envisaged by AS-23 para 7(b) and therefore, the Company has accounted investment in these associates as per AS-13.

The Company's share in Associate, Global Rural Netco Limited is accounted based on un-audited financial statements for the year ended March 31, 2015.

Business Update – Pre & Post CDR

The Company, in the FY 2009-10, based on the award of a part of BSNL tender contract in its favor, additional business expected by one of the group companies viz. GTL Infrastructure Ltd. (GIL) having cemented business partnership with Aircel with assurance of 20,000 new tenancies on Right of First Refusal (RoFR) basis and other anticipated business avenues based on the 2G spectrum auction, issuing of new licenses and corresponding network expansion plans of the operators, had then projected a robust business plan over next five to six years.

- Bharat Sanchar Nigam Ltd. (BSNL) invited sealed tenders from Eligible Bidders, on 'Rupee Payment basis' for planning, engineering, supply, installation, testing & commissioning of GSM / UMTS based cellular mobile

network along with supply, installation, testing & commissioning of infrastructure for network of capacity for 93 million lines. This expansion was meant to be rolled out in three phases. The tenders were floated zone-wise with the North, West and South zones having 25 million lines each and the East Zone having 18 million lines.

- a. In 2010 GTL had bid and won a contract from BSNL, being L2 and L3, out of the contract of 93 million fixed lines.
 - b. In Q4 of FY 2010–11, this business development contract was cancelled and thus leading to an estimated loss of Revenue of ₹ 3,000 Cr. to the Company spreading over the next three financial years.
 - c. Additionally, advances paid to suppliers for execution of BSNL and Aircel contracts led to increase in Current Assets some of which are yet to be realized.
- Aircel RoFR towers (20,000 Nos.) for 3 years from FY 2010–11 onwards. The additional business of Aircel RoFR towers to GTL Limited was in relation to the acquisition of 17,500 Aircel towers in July'10. The Company had informed these developments to shareholders vide notice of postal ballot dated January 14, 2010 and sought their approval for making investment in Tower companies.
 - a. GTL had invested over ₹ 2,200 Cr. in GIL and CNIL.
 - b. CNIL acquired 17,500 towers along with 21,000 active tenants and a commitment of 20,000 tenancies upto July 2013 under a RoFR agreement, further on the strength of this commitment, GTL entered into an Energy Management Contract with Aircel and its Affiliates, CNIL and GIL.
 - c. Aircel was unable to provide about 17,500 tenancies under the RoFR resulting into the estimated loss of Revenue of about ₹ 4,218 Cr. as stated below.
 - d. This Investment was expected to give GTL business opportunity of over ₹ 17,000 Cr. over a period of 5 years as detailed below:

(₹ in Crore)

Services Offering	2010–11	2011–12	2012–13	2013–14	2014–15	Total
Network Deployment	1,250	1,250	1,250	1,250	1,250	6,250
Network Maintenance	486	594	702	810	918	3,510
Energy Management	540	660	780	900	1,020	3,900
Active Infrastructure Management	486	594	702	810	918	3,510
Total Business Opportunity	2,762	3,098	3,434	3,770	4,106	17,170

- Network Deployment for other major operators.

The FY 2010–11, however, did not begin well for the telecom industry and the operators. Their future had become clouded because of the controversies, uncertainties and utter turmoil resulting there from. These developments were beyond the control of the Company, nevertheless adversely affected the existing and the future business of the Company. These events and happenings are affecting not only its performance but realization from its debtors and business creditors who were paid advances against future purchase and deliveries of materials.

The Company therefore approached CDR Empowered Group (EG) detailing the business difficulties it was facing resultant to the turmoil, uncertainties and controversies plaguing the telecom industry and operators in the FY 2011–12 and was admitted to the CDR mechanism with effect from July 1, 2011.

To accelerate collection against long overdue debts, the Company had submitted a proposal for issuing necessary performance / financial guarantee on behalf of the Company in favor of these customers; however, this proposal was not acted upon in a timely manner by lenders.

The Company's relentless pursuit for realization of current assets has met with some success and it managed to recover an aggregate of ₹ 1,800 Cr. including ₹ 1,272.45 Cr. in cash till date which is actually well ahead of schedule. This amount has been deposited into the TRA for business operations, taxes, statutory dues and lender related payments.

While the Company and its Promoters have adhered to the most of the stipulations as per the Master Restructuring Agreement (MRA), developments in the telecom and power sector post CDR implementation have further impacted GTL's ability and cash flows in meeting its commitments under CDR packages moving forward.

Developments Post CDR

The CDR package approved by the lenders in December 2011 envisaged improvement in the telecom and power sectors, additional capex deployment by telecom operators in 3G/4G buoyed by new equity investments into these sectors.

However, since CDR implementation, below mentioned developments in the telecom and power sector have impacted the financial performance of GTL.

Telecom Sector

- Cancellation of 2G licenses upheld by Hon'ble Supreme Court in February 2012;
- Aircel Group's suspension of tenancy commitments in July 2013;
- Slower 3G & BWA growth since auctions;
- Freeze on expansion by Telecom Operators; and
- Suspension of BSNL expansion.

As commented by Vodafone India CEO in the recent articles in Business Standard dated September 12, 2014 and Times of India dated October 10, 2014, the Indian Telecom industry continues to be in a mess due to lack of clarity on taxation issues, M&A policy, high regulations, spectrum scarcity and preferential treatment / benefits to selective telecom operators with very little action to accept responsibility and bring about change. The impact of this is clearly visible with investments in network in India of only US\$ 5 Bn. in the last one year vis-a-vis US\$ 50 Bn. in China.

Negative impact arising out of downward trend in telecom industry, delay in policy decisions not only affected the business outlook of the Company but the expected valuation of its investments in Tower Companies in the group expected out of acquisition of Aircel Towers based on the future business outlook.

Power Sector

- No tariff revisions;
- Slash in power tariffs by 20% in Maharashtra; and
- Refusal of lenders to offer SBLC despite approval in CDR package.

To add to the woes, the recent cancellation by the Hon'ble Supreme Court of all but four of the 218 coal block allocations by the government over the past two decades has had major implications for the power and energy sector.

Almost 30% of GTL's annual revenue, approx ₹ 1,200 Cr., was from DF business. Already strained revenues and margins and cash flow will be irreparably impacted further due to the termination by MSEDCL of the DF contract. MSEDCL additionally has claimed ₹ 393 Cr. from the Company and invoked SBLC of ₹ 150 Cr. held by it under DF agreement.

These factors that are beyond management control, continue to impact GTL's financial performance and are affecting its ability to meet debt service obligations.

Inter Creditor Issues:

The Company has ever since made all reasonable efforts within its control to implement the restructuring of the ECB and NCD facility.

However, restructuring of the ECB Facility could not close on account of certain factors beyond management control such as the financial impact of adverse developments in the telecom and power sectors, inter-creditor issues among various lenders of the Company on matters relating to *pari-passu* sharing of security, payment of interest to ECB lenders etc. Resignation by the ECB Facility Agent and also the ECB Authorized Dealer has further hampered GTL's efforts to restructure the ECB debt.

Similarly, with respect to the restructured NCD facility, while the Company and NCD lender have bilaterally agreed the terms, necessary approval from CDR lenders and consequent execution of the amended agreements and security documents to ensure *pari-passu* rights to NCD lenders to the Cash Flows and Security package of GTL is still awaiting approval of CDR Lenders.

Requests of GTL for release of certain interest / principal dues of ECB and NCD lenders have been denied by CDR lenders and not acted upon as CDR lenders are secured lenders and have no obligation towards NCD and ECB lenders.

In light of the inter creditor issues, developments post CDR and alleged non *pari-passu* treatment to ECB / NCD lenders vis-à-vis CDR lenders, notices have been sent by ECB / NCD lenders to GTL and IDBI Bank Ltd. (as Monitoring Institution to CDR Lenders) advising the Company to desist from:

- i. Making any further payment to CDR lenders till ECB / NCD interest / principal dues are paid;
- ii. Sharing the proceeds of Trust and Retention Account (TRA) on *pari-passu* basis with the CDR lenders going forward; and
- iii. Creating security in their favor.

Actions by ECB Lenders

Furthermore, certain ECB lenders have even filed recovery proceedings in the Hon'ble High Court of Justice, Queens Bench Division, Commercial Court, London. The Hon'ble Court vide its Order dated February 20, 2015 directed the Company to make payments in respect of the outstanding principal amount relating to these lenders in terms of the Loan Agreement dated September 8, 2006 executed by participants in ECB.

The Hon'ble Court has dismissed the application of the claimants for a summary judgment on their claims for interest. Further, the Court has also ordered payment of GBP 31,500 towards Claimants legal costs by the Company.

Actions by NCD Lenders

In addition to the aforesaid proceeding, on January 09, 2015 the NCD lender has filed a petition before the High Court of Judicature at Bombay inter alia seeking winding up of the Company and in the interim seeking an injunction against any disposal of assets & against making payments to the secured CDR lenders. Notice of filing was served on the Company on January 16, 2015. The CDR lenders and ECB lenders of the Company intervened. By its order dated January 28, 2015, the High Court asked the CDR lenders' position on the NCD holder's treatment on *pari-passu* basis. The matter is currently *sub-judice*.

Since all funds of the Company are subject matter of the TRA which is controlled by the CDR lenders, the question of payment to the NCD holder and ECB lenders does not arise, until and unless the CDR lenders decide on the issue directed by the Hon'ble Bombay High Court. In view thereof, as on March 31, 2015, none of the Directors of the Company are disqualified under Section 164(2)(b) of the Act from being appointed as Directors.

Initiatives by GTL

The Company continues to make efforts to improve cash flow to facilitate an equitable settlement of its debt amongst CDR, ECB and NCD lenders.

Reeling under industry happenings, beyond its control, the Company had submitted proposals without altering end date of debt repayment:

- a. Consolidating GTL Group Level debt at Holding Company (HoldCo) level (April 2013).
- b. GTL consolidated debt through Debt Realignment Proposal through fresh ECB and SBLC for repayment of rupee debt (September 2013); could not be implemented because of various delays in conclusive decisions till April 2014. RBI issued a circular on April 22, 2014 disallowing ECB and SBLC route for repaying rupee debt.

Under current proposal the steps envisaged, subject to necessary approvals, are:

- Sale of Operations, Maintenance & Energy business;
- Monetization of Investments in Tower Companies;
- Realization of Current Assets;
- Monetization of non-core assets;
- Formation of JV or raising new Capital; and
- Such other actions as may be deemed fit in the interest of all stakeholders.

For these initiatives, requisite approvals from Shareholders of the Company have been obtained at the 26th Annual General Meeting held on September 16, 2014 and through Postal Ballot for creation of charges / mortgages and for sale / disposal of the whole or substantially the whole of the undertaking(s) of the Company result of which was declared on September 25, 2014.

The Company has appraised CDR / NCD lenders of the above initiatives and presented a plan for their consideration at the Joint Lender Forum meetings held on November 13, 2014, September 01, 2014 and June 17, 2014.

While the Company continues to engage with all the 3 sets of lenders, viz. ECB Lenders, NCD Lender and CDR Lenders separately to find a resolution to such challenges, which are beyond management control, we believe that given the challenges of telecom and power sector scenario and its resultant impact on the financial performance of GTL, a joint engagement between all the sets of lenders and GTL to draw a long term road map to resolve the issues is essential.

The Company believes that in view of the current unsustainable debt levels and the continued bleak outlook in the telecom sector, the most viable option for the Company would be to divest its assets and enter into a negotiated / one-time settlement with its lenders. The Company has submitted this proposal before the forum of lenders in the context of winding-up petition filed by the NCD holder against the Company, where the CDR / ECB Lenders have also intervened. The matter is currently *sub-judice* and has impacted GTL's ability to meet commitment under MRA.

3. CORPORATE DEBT RESTRUCTURING

The Company has implemented Corporate Debt Restructuring (CDR) Plan for its Rupee Term Loan.

In view of overall set-back in the Company's business operations, cash losses have been incurred which has resulted in substantial erosion of the Company's net worth.

In addition to the above, certain disputes among inter-creditor has caused delay in restructuring of ECB facility and execution of amended agreement with NCD lender and has resulted in initiation of legal proceedings against the Company which *inter-alia* seeks an injunction against disposal of any asset and making payments to secured CDR lenders and liquidation of the Company. The Company has taken appropriate legal steps in these matters to defend / protect its interest.

Considering the developments post-CDR, inter-creditor issues (which is beyond management control) and actions initiated by ECB and NCD lenders, the Company has submitted Settlement proposal for which the Company has envisaged / planned steps, such as sale of Operation Maintenance & Energy (OME) business (part of Network Services), monetization of investment including in Tower Companies, monetization of non-core assets. The Company is awaiting lenders approval / consent and resolution to inter-creditor issues.

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 and Preference Share Capital of the Company for the financial year ended March 31, 2015.

5. SHARE CAPITAL

a. Equity:

The movement of Equity Capital due to allotment of shares, if any, is as under:

Particulars	No. of Equity Shares
Equity Capital as on April 1, 2014	157,296,781
Add: Allotment of equity shares during the year	Nil
Equity Capital as on March 31, 2015	157,296,781

The Company has only one class of equity shares and it has not issued equity shares with differential rights or sweat equity shares. Also, the Company has cancelled all its outstanding Employee Stock Option Schemes (ESOS) in FY 2012–13. Thus, the details required to be furnished for equity shares with differential rights and/or sweat equity shares and / or ESOS as required under the Companies (Share Capital and Debentures) Rules, 2014 are not furnished.

b. Preference:

During the FY 2012–13, the Company had issued and allotted 650,000,000 Non Participating Optionally Convertible Cumulative Preference Shares of the face value of ₹ 10/- each aggregating ₹ 650 Cr. The Preference shareholder had 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. However, the Preference shareholder did not exercise its right for conversion of these preference shares into equity within the stipulated time period and resultantly, there will not be any impact on the Company's equity capital.

6. 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.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the CDR documents, IDBI Bank Limited nominated Mr. Dilip Kumar Mandal, Chief General Manager, RBG in the month of October 2014 in place of Mr. Ajay Sharma – Chief General Manager who served on the Board as Nominee Director w.e.f. October 8, 2012.

The Board of Directors through resolution passed by circulation on December 19, 2014 appointed Mr. Sunil Sadanand Valavalkar as an Additional Director and also a Whole-time Director effective December 16, 2014 and the same was taken on record by the Board of Directors in its meeting held on February 5, 2015. The Board also through resolution passed by circulation on March 30, 2015 appointed Mrs. Siddhi M. Thakur as an Additional Director and also an Independent Director with effect from March 31, 2015 and the same was taken on record by the Board of Directors in its meeting held on May 5, 2015. Both the appointees hold office upto the date of the ensuing Annual General Meeting. The Company having received respective notice under Section 160 of the Companies Act, 2013, proposes appointment of Mr. Sunil S. Valavalkar as a Director, liable to retire by rotation and Mrs. Siddhi M. Thakur as a Director not liable to retire by rotation. Also the Company has incorporated appropriate resolutions for appointing Mr. Sunil S. Valavalkar as the Whole-time Director for a period of three years from December 16, 2014 to December 15, 2018 and Mrs. Siddhi M. Thakur as an Independent Director from March 31, 2015 to March 31, 2018 as detailed in the notice convening ensuing Annual General Meeting and Explanatory Statement annexed thereto for consideration of the members.

In light of the provisions of the Companies Act, 2013, out of the current strength of the Board consisting of 7 Directors, 3 Directors are Independent and thus not to be computed for the strength of total directors liable for retirement by rotation. Out of the balance 4 Directors, the Company can have one third as permanent directors, consisting of

Mr. Manoj G. Tirodkar – Chairman & Managing Director. Of the balance 3 Directors, one is a Nominee Director, who is not liable for retirement by rotation and rest 2 Directors are Additional Directors whose term is upto the date of the ensuing Annual General Meeting and would be considered for regular appointment. Thus, no director will be retiring by rotation in the ensuing Annual General Meeting.

Maharashtra State Electricity Distribution Company Limited terminated the Company's Power Distribution Franchisee (DF) contract for Aurangabad, Maharashtra, Urban Circle I & II, effective November 17, 2014. Since Mr. Arun Prabhukhanolkar – Whole-time Director (who was also appointed as key managerial personnel effective April 1, 2014) was looking after the said Power DF business, has relinquished his position as a Whole-time Director and also as a director w.e.f. December 16, 2014.

Prof. Shamkant B. Navathe based in USA and who was associated with the Company as an Independent Director since July 30, 2001, has relinquished his position as a Director w.e.f. January 20, 2015, in view of his busy schedule and difficulty in making frequent trips to India for attending Board Meetings.

The Board places on record its deep appreciation and respect for the valuable advice and guidance received from Prof. S. B. Navathe, Mr. Ajay Sharma and Mr. Arun Prabhukhanolkar during their tenure as Directors of the Company.

The background of the Directors proposed for appointment / reappointment is given in the Corporate Governance Report, which forms part of the Directors' Report.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, which came in to effect from April 1, 2014, the appointment of Mr. Manoj G. Tirodkar – Chairman & Managing Director, Mr. Arun Prabhukhanolkar – Whole-time Director, Mr. Vidyadhar A. Apte – Company Secretary and Mr. Milind V. Bapat – Chief Financial Officer as the key managerial personnel were formalized. Also, the Board appointed Mr. Sunil S. Valavalkar as an Additional & Whole-time Director and also as the key managerial personnel w.e.f. December 16, 2014 in place of Mr. Arun Prabhukhanolkar – Whole-time Director, who has relinquished his position as a Whole-time Director and also as Director effective December 16, 2014.

8. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below:

i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Executive Directors	Ratio to median remuneration
Mr. Manoj G. Tirodkar	7
Mr. Arun Prabhukhanolkar (upto December 16, 2014)*	7.6
Mr. Sunil S. Valavalkar (w.e.f. December 16, 2014)*	3
Non-executive Directors (Sitting Fees only) **	
Prof. Shamkant B. Navathe (upto January 20, 2015)*	N.A.
Mr. Vijay M. Vij	N.A.
Mr. D. S. Gunasingh	N.A.
Mr. Navin J. Kripalani	N.A.
Mr. Hemant Desai (upto September 16, 2014)*	N.A.
Mr. Ajay Sharma (upto October 1, 2014)*	N.A.
Mr. Dilip Kumar Mandal (w.e.f. October 1, 2014)*	N.A.
Mrs. Siddhi M. Thakur (w.e.f. March 31, 2015)*	N.A.

* Since this information is for part of the year, the same is not comparable

** Since Non-executive Directors received no remuneration, except sitting fees for attending Board / Committee meetings, the required details are not applicable

ii. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Manoj G. Tirodkar – Chairman & Managing Director	No change
Mr. Arun Prabhukhanolkar – Whole-time Director (upto December 16, 2014)*	No change
Mr. Sunil S. Valavalkar – Additional & Whole-time Director (w.e.f. December 16, 2014)*	No change
Prof. Shamkant B. Navathe (upto January 20, 2015)*	N.A.
Mr. Vijay M. Vij	N.A.
Mr. D. S. Gunasingh	N.A.
Mr. Navin J. Kripalani	N.A.
Mr. Hemant Desai (upto September 16, 2014)*	N.A.
Mr. Ajay Sharma (upto October 1, 2014)*	N.A.
Mr. Dilip Kumar Mandal (w.e.f. October 1, 2014)*	N.A.
Mrs. Siddhi M. Thakur (w.e.f. March 31, 2015)*	N.A.
Mr. Milind V. Bapat – Chief Financial Officer	7.5
Mr. Vidyadhar A. Apte – Company Secretary	7.5

* Associated for part of the year.

iii) **The percentage increase in the median remuneration of employees in the financial year: 9.6%**

iv) **The number of permanent employees on the rolls of Company: 429**

v) **The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 9.6% in India. The individual increments varied between 3% to 50%, based on individual performance.

Employees outside India were granted wage increase between 1% to 3%. The increase in remuneration is in line with the market trends in the respective countries. Considering the subdued market conditions majorly affecting telecom and power sectors, the Company's performance was adversely affected. However, since the Company did not grant any wage increase to its employees for last 3 years, increments were granted, for keeping the morale high.

vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**
(₹ in Crore)

	Standalone	Consolidated
Aggregate remuneration of Key Managerial Personnel (KMPs) in FY 2014–15	2.88	2.88
Revenue	2,069.41	2,495.93
Remuneration of KMPs (as % of revenue)	0.14	0.12
Profit Before Tax (PBT) (prior to Exceptional item)	(648.57)	(935.45)
Profit Before Tax (PBT) (post Exceptional item)	(801.29)	(1,088.16)
Remuneration of KMPs (as % of PBT)	N.A.	N.A.

- vii) **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalization (₹ Crore) *	192.69	224.93	(14.34)
Price Earnings Ratio	(0.24)	(0.48)	(50.00)

*based on closing market price on NSE on the respective year end dates.

- viii) **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31, 2015	April 18, 1994 (FPO)	% Change	April 18, 1994 (Rights)	% Change
Market price (BSE)	₹ 12.35	₹ 20.00	(38.25)	₹ 17.50	(29.43)
Market price (NSE)	₹ 12.25	₹ 20.00	(38.75)	₹ 17.50	(30.00)

- ix) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase in salaries of employees is 9.6% and there is no change in managerial remuneration during the year.

- x) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**

	Mr. Manoj G. Tirodkar – Chairman & Managing Director	Mr. Arun Prabhukhanolkar – Whole-time Director (upto December 16, 2014)*	Mr. Sunil S. Valavalkar – Addl. & Whole-time Director (w.e.f. December 16, 2014)*	Mr. Milind V. Bapat – Chief Financial Officer	Mr. Vidyadhar A. Apte – Company Secretary
Remuneration in FY 2014–15 (₹ Cr.)	0.35	0.38	0.04	1.15	0.95
Revenue (₹ Cr.)	2,069.41				
Remuneration as % of revenue	0.02	0.02	0.00	0.06	0.05
Profit Before Tax (PBT) (₹ Cr.) (before Exceptional item)	(648.57)				
Profit Before Tax (PBT) (₹ Cr.) (after Exceptional item)	(801.29)				
Remuneration as % of PBT	N.A.	N.A.	N.A.	N.A.	N.A.

* associated for part of the year

- xi) **The key parameters for any variable component of remuneration availed by the directors:**

Key parameter for variable component is the collection target.

- xii) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 1:2.02**

- xiii) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per remuneration policy of the Company.

9. DIRECTORS RESPONSIBILITY STATEMENT:

In terms of the provisions of Section 134(3)(c) of the Companies Act, 2013, we, the Directors of GTL Limited, to the best of their knowledge and ability, in respect of the year ended March 31, 2015, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. they had selected such accounting policies and applied them consistently and made judgments 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;
- c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they had prepared the annual accounts on a going concern basis;
- e. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have furnished a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

11. POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION ETC.

The Company has put in place appropriate policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013, which is provided in the Policy Dossier that has been uploaded on the Company's website www.gtllimited.com. Further, salient features of the Company's Policy on Directors' remuneration have been disclosed in the Corporate Governance Report, which forms part of the Directors' Report.

12. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carries out annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and corporate governance requirements as prescribed under Clause 49 of the Listing Agreement.

The performance of the Board and its Committees was evaluated by the Board after seeking inputs from the Board / Committee members on the basis of the criteria such as composition of the Board / Committees and structure, effectiveness of Board / Committee processes, information and functioning etc. The Board also reviewed the performance of individual Directors on the basis of criteria such as attendance in Board / Committee meetings, contribution in the meetings like preparedness on issued to be discussed etc.

In a separate meeting of Independent Directors, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking in to consideration views of executive and non-executive Directors.

13. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis (MD&A) 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.

14. CORPORATE GOVERNANCE & VIGIL MECHANISM

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 Bhavé & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants the Joint Auditors of the Company is given in **Annexure A** to this Report.

The Company has formulated a Whistle Blower Policy details of which are furnished in the Corporate Governance Report thereby establishing a vigil mechanism for directors and employees for reporting genuine concerns, if any.

15. RISKS

A separate section on risks and their management is provided in the MD&A Report forming part of this Report, which covers the development and implementation of risk management framework. The Audit Committee monitors the risk management plan and ensure its effectiveness. It is important for shareowners 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.

16. CORPORATE SOCIAL RESPONSIBILITY:

The Company continued, during the year under review, to contribute through 'Global Foundation', a Public Charitable Trust towards social causes as described in the MD&A Report under the caption 'Corporate Social Responsibility' (CSR) and implemented CSR Policy. The details as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is furnished in **Annexure B** to this report.

17. AUDIT COMMITTEE:

The details in respect of composition of the Audit Committee are included in the Corporate Governance Report, which forms part of the Directors' Report.

18. AUDITORS AND AUDITORS' REPORT:

Joint Auditors:

M/s. Godbole Bhavé & Co., Chartered Accountants, Mumbai and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai, were appointed as Joint Auditors at the Twenty Sixth (26th) Annual General Meeting to hold office from conclusion of the said meeting till the conclusion of the Twenty Ninth (29th) Annual General Meeting. The Company has received the necessary certificates from the Joint Auditors respectively pursuant to Sections 139 and 141 of the Companies Act, 2013 (the Act) regarding their eligibility for appointment. In pursuance of the provisions of Section 139 of the Act, appropriate resolution for ratification of the appointment of M/s. Godbole Bhavé & Co., Chartered Accountants, Mumbai and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai, as Joint Auditors of the Company is being placed at the ensuing Annual General Meeting.

Cost Auditors:

Pursuant to the provisions of the Section 148 of the Act and Rules made there under as may be prescribed and on the recommendations of the Audit Committee, the Board has appointed M/s V. G. Phadke & Co., Cost Accountants, Mumbai, as the Cost Auditor for the financial year 2014–15. Also, in accordance with the provisions of Section 148 of the Act and the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditor as recommended by the Audit Committee and the Board had been ratified by the members in the 26th Annual General Meeting held on September 16, 2014.

The relevant cost audit reports of FY 2013–14 were filed with Ministry of Corporate Affairs on September 23, 2014.

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, since the Company's business (telecom networking services) is not included in the list of industries to which these rules are applicable, the Company has not considered appointment of Cost Auditor for the financial year 2015–16.

Joint Auditors' Report

As regards the Joint Auditors' comment / observation / emphasis of matters, the Company has furnished required details / explanations in Note Nos. 2.8.1, 2.39, 2.11.3 and 2.23.1 of Notes to Stand-alone financial statements.

Secretarial Auditors' Report

The Secretarial Auditors' Report does not contain any qualifications, reservations, disclaimers or adverse remarks and the same is given in **Annexure C** (Form No. MR-3) forming part of this report.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Details of investments made by the Company are given under the respective heads (refer note 2.11 of notes to the financials).

No loans are given by the Company to any person / entity except to its employees as at March 31, 2015.

Corporate Guarantees given by the Company as at March 31, 2015:

(₹ in Crore)

Sr.	Name of the Company	As at March 31, 2015	As at March 31, 2014
1	Subsidiaries	166.82	169.79
2	Other Body Corporate	425.00	425.00

Refer Note No 2.12.2 of notes to financial statements

GTL has given above guarantees in its normal course of business in India and abroad. The guarantees are normally given :

- for performance of their business obligations; and
- to enable them to avail financial assistance.

20. PARTICULARS OF RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.gtllimited.com. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The particulars as required under the Companies Act, 2013 is furnished in **Annexure D** (Form No. AOC-2) to this report.

21. MATERIAL CHANGES AND COMMITMENTS

Save and except as discussed in this Annual Report, no material changes have occurred and no commitments were given by the Company thereby affecting its financial position between the end of the financial year to which these financial statements relate and the date of this report.

22. SUBSIDIARIES

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, 2015, on a consolidated basis was ₹ 427.42 Cr. (US\$ 69.25 Mn.)

As required by the Companies (Accounts) Rules, 2014, a report on performance and financial position of each of the subsidiaries and associate companies included in the Consolidated Financial Statement, is presented in **Annexure E** (Form No. AOC-1).

In response to the evolving industry and technology, the Company is continuing plans and operations in those projects and countries, which have potential for growth at high margin and low working capital. At the same time, the Company having been admitted into CDR is not in a position to extend further financial support to some of the subsidiaries, which are making losses / having financial difficulty. The need is also felt at this juncture to streamline the operations in respect of some of the subsidiaries. Further, as per the negotiated / one-time settlement plan submitted for settlement of the outstanding debt with all of its lenders, the Company has to dispose of some of its investments as contemplated under the approved CDR package.

On the above background, the Company has started its operations in Myanmar, where it has a potential for growth. At the same time while it has closed / is in the process of closing its operations in subsidiaries in Sri Lanka, Kenya, Bangladesh, Taiwan, China, Malaysia, Indonesia, Tanzania and Nigeria; it is continuing its operations in UK, Myanmar, Nepal, Philippines, KSA, UAE and Singapore.

It is also pertinent to note the legal actions in respect of some of the Subsidiaries. During the course of audit, certain irregularities committed by some of the former employees came to the notice of GTL (USA) Inc. accordingly, based on legal advice, GTL (USA) Inc filed a case against those officials. In the meanwhile, one of the creditors with whom GTL (USA) Inc has dispute, as regards the amount payable, filed a case and GTL (USA) Inc. has filed a petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the Court of Eastern District of Texas, USA. That filing, however, affords GTL (USA) Inc the right to reorganise under a plan that will assure the fair treatment of all its creditors, while GTL (USA) Inc continues its business in the ordinary course.

A similar legal action initiated by the Bank, which has advanced money for working capital (subsequently withdrawn), has led to the appointment of liquidator in the subsidiary in Malaysia.

On account of the delay in payment by the ultimate customer who could not keep up its commitment, leading to the Bank filing recovery proceedings against its subsidiary viz. International Global Tele Systems Ltd. and the Insurance Company in the Court at Mauritius. In the said matter the Bank has impleaded the Company as a party defendant, based on the Letter of Comfort. The matter is pending before the Court.

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

a. Conservation of Energy:

i. the steps taken or impact on conservation of energy:

Opportunity to increase green portfolio complying to Green mandate for Telecom Towers issued by DoT

Reduction in Carbon footprints with the help of clean technology

Operational efficiency through less power and cost efficiency resulting in high up time

ii. the steps taken by the Company for utilizing alternate sources of energy:

GTL Limited initiated a pilot project of installation of Fuel Cell System (FCS) instead of Diesel Generators (DG) on 54 Tower sites under OPEX model with a partner

- 54 FCS will run as per the preferred duty cycle to provide backup power to the sites and will operate during the grid power unavailability

iii. the capital investment on energy conservation equipments:

Not Applicable

b. Technology Absorption:

i. the efforts made towards technology absorption:

- Installation of additional 100 FCS across various circles

- Undertaking the pilot project of Bio Mass Installation for ascertaining the implication on alternate energy initiatives and cost reduction
 - Increasing portfolio of solar power site cover for existing sites
 - Tower monitoring methodology for operators using NMS and bespoke portals to monitor additional sites across different operators and circles
 - Automation of Trouble Tickets (TTs) from OSS alarms via BMC Remedy TT application
 - Testing and implementation of solutions such as video surveillance and workforce tracking (WFT) on Pan India basis
- ii. **the benefits derived like product improvement, cost reduction, product development or import substitution:**
- Enhanced ability with higher efficiency, optimizing technological resources, value for money returns and simplification of management of technical architecture
 - Additional sites and tenancies being now monitored across 24x7 resulting enhancing the Up-time
 - This can help in managing the operations error free with no human intervention as well higher alarm load to trouble tickets can be handled more precisely
 - Real time view of activities from sites and people movement to take corrective actions and business decisions in time which should result in higher Up-time of sites
- iii. **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**
- | | | |
|--|---|----------------|
| <ul style="list-style-type: none"> a. the details of technology imported: b. the year of import: c. whether the technology been fully absorbed: d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: | } | Not Applicable |
|--|---|----------------|
- iv. **the expenditure incurred on Research and Development:**
- | | |
|--------------|------------|
| a. Capital | ₹ 1.54 Cr. |
| b. Recurring | ₹ 4.66 Cr. |

C. Foreign exchange earnings and Outgo:

During the year under review the Company earned in terms of actual inflows foreign exchange of ₹ 0.89 Cr. and the foreign exchange outgo during the year under review in terms of actual outflows was ₹ 28.88 Cr. the particulars of which are appearing in Note No. 2.34 of the Notes to the Accounts.

24. INTERNAL FINANCIAL CONTROL SYSTEM

The details in respect of adequacy of internal financial control with reference to the financial statements are included in the MD&A Report, which forms part of this Report.

25. HUMAN RESOURCES

Our associate base stood at 5043 as on March 31, 2015 as against 6383 as on March 31, 2014. For full details refer to the Human Resources write up in the MD&A Report.

26. EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2015

The required details are furnished in **Annexure F** (Form No. MGT-9) to this report.

27. NUMBER OF BOARD MEETINGS HELD DURING THE FY 2014–15

4 (Four) meetings of the Board were held during the year, details of which are furnished in the Corporate Governance Report that forms part of the Directors' Report.

28. 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 44.23% of the Company's Paid-up Equity Capital. The members may note that the Promoter Group, *inter-alia* comprises of Mr. Manoj. G. Tirodkar and Global Holding Corporation Pvt. Ltd.

29. PARTICULARS OF EMPLOYEES

In terms of the provisions of sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, names and other particulars of the employees are required to be set out in an annexure to this report. Further, the report and the Financial Statement are being sent to the shareholders excluding the aforesaid annexure. In term of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. 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.

30. 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.

31. 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
May 5, 2015

Manoj G. Tirodkar
Chairman & Managing Director

ANNEXURE A 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, 2015, 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 as stipulated in the said Clause. 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 and based on the representations made by the Directors and Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the 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
Firm Reg. No. 114445W

M. V. Bhave
Partner
Membership No.038812
Mumbai
May 5, 2015.

For **YEOLEKAR & ASSOCIATES**
Chartered Accountants
Firm Reg. No. 102489W

S. S. Yeolekar
Partner
Membership No. 36398

ANNEXURE B TO DIRECTORS' REPORT**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT
Companies (Corporate Social Responsibility Policy) Rules, 2014.**

- 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

GTL acknowledges debts towards the society in which it operates and in order to discharge its responsibility, it is undertaking various projects through 'Global Foundation', a Public Charitable Trust for the betterment of the society and in particular in the areas such as education, health, community service, medical assistance and rural education particularly in IT through 'Mobile Computer Lab' etc. For more particulars about the Company's CSR Policy, please visit its website www.gtllimited.com/investors

- 2. The Composition of the CSR Committee:**

The Company has constituted a CSR Committee of Directors comprising of Mr. Manoj G. Tirodkar, Chairman of the Committee, Mr. Navin J. Kripalani and Mr. Sunil S. Valavalkar.

- 3. Average net profit of the Company for last three financial years: (₹ 463.29 Cr.)**

- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

N.A. in view of losses incurred by the Company.

- 5. Details of CSR spent during the financial year:**

a. Total amount to be spent for the financial year: N.A.

b. Amount unspent, if any: N.A.

c. Manner in which the amount spent during the financial year is detailed below: N.A.

- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** N.A. in view of losses incurred by the Company.

- 7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

We hereby declare that implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Manoj G. Tirodkar

Chairman & Managing Director and
Chairman – CSR Committee

Mumbai
May 5, 2015

ANNEXURE C TO THE DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
GTL Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GTL limited. (Hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the GTL Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, generally complied with the statutory provisions listed hereunder:

I have examined the books, papers, minute books, forms and returns filed and other records, maintained by GTL Limited ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable to the Company during the Audit period);**
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- vi. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- vii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- viii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit period);**
- ix. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- x. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit period);**
- xi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- xii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit period);** and
- xiii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit period);**

xiv. For the other applicable laws our audit was limited to:

- a. Factories Act, 1948
- b. Industrial Disputes Act, 1947
- c. The Payment of Wages Act, 1936
- d. The Minimum Wages Act, 1948
- e. Employees State Insurance Act, 1948
- f. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- g. The Payment Of Bonus Act, 1965
- h. The Payment of Gratuity Act, 1972
- i. The Contract Labour (Regulations & Abolition) Act, 1970
- j. The Maternity Benefit Act, 1961

xv. I have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not Applicable for the Company during the Audit period)**
- b. The listing agreements entered into by the Company with the stock exchanges.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that I rely on statutory auditor's reports in relation to the financial statements and accuracy of the financial figures for Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC etc. as disclosed under financial statements, Accounting Standard 18 & note on foreign currency transactions during our audit period.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I further report that as per the information provided generally adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

I further report that as per the information provided majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are generally adequate systems & processes in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines.

I further report that the management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/records required by the concerned authorities and internal control of the concerned department.

I further report that during the audit period the Company has no specific events like Public / Right / Preferential issue of shares / debentures / sweat equity etc.

Mumbai
May 5, 2015

Virendra Bhat
ACS No. – 1157
COP No. – 124

ANNEXURE D TO THE DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Not Applicable
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions	Arrangement / transaction value (₹ Cr.)	Date(s) of approval by the Board, if any.	Amount paid as advance, if any (₹ Cr.)
GTL Infrastructure Limited	Associate	Energy Management services, Operations & Maintenance Services	1 Year	Rendering of field level & energy management services to the Company at an agreed price	359.46	N.A.	Nil
Chennai Network Infrastructure Limited	Associate	Energy Management services	1 Year	Rendering of energy management services to the Company at an agreed price	178.30	N.A.	Nil
Chennai Network Infrastructure Limited	Associate	Supply of product	1 Year	Supply & services on telecom products	133.09	N.A.	Nil

Mumbai
May 5, 2015

Manoj G. Tirodkar
Chairman & Managing Director

ANNEXURE E TO THE DIRECTORS' REPORT

Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures:

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Cr.)

No.	Name of the Subsidiary Company	Reporting Period	Reporting Currency	Exchange Rate	Balance Sheet	Exchange Rate	Profit and Loss	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend / Interim	% of Shareholding
Operating Companies																		
A	International Global Tele-Systems Ltd.	31, Dec.	US\$	61.450	63.310	440.98	151.95	1,177.90	1,177.90	1,177.90	1,177.90	122.90	—	(186.06)	—	(186.06)	—	100%
B	GTL International Ltd.	31, Dec.	US\$	61.450	63.310	49.16	19.20	467.68	467.68	—	8.61	—	8.61	(176.34)	—	(176.34)	—	100%
B.1	GTL (Singapore) Pte Ltd.	31, Dec.	US\$	61.450	63.310	1.85	6.22	10.09	10.09	—	0.54	—	0.54	9.44	—	9.44	31.66	100%
B.2	GTL Saudi Arabia Company Ltd.	31, Mar.	SAR	16.390	16.880	3.28	0.22	45.13	45.13	—	27.26	—	27.26	(3.40)	—	(3.40)	—	90%
B.3	GTL Europe Ltd.	31, Dec.	GBP	99.330	98.530	4.97	9.02	68.45	68.45	—	150.42	—	150.42	10.23	1.77	8.46	—	100%
B.4	GTL Overseas (Middle East) JLT	31, Dec.	AED	16.840	17.340	0.08	(16.33)	24.67	24.67	—	8.36	—	8.36	(16.81)	—	(16.81)	—	100%
B.5	iGTL Network Services Philippines Inc.	31, Dec.	PHP	1.380	1.420	0.07	(0.12)	2.94	2.94	—	6.54	—	6.54	(0.94)	(0.18)	(0.76)	—	100%
B.6	GTL USA Inc.	31, Dec.	US\$	61.450	63.310	19.05	(44.64)	81.13	81.13	—	113.59	—	113.59	(11.90)	(4.18)	(7.72)	—	100%
B.7	iGTL Myanmar Limited	31, Mar.	MMK	0.061	0.062	0.30	1.47	3.90	3.90	—	6.01	—	6.01	2.01	0.50	1.51	—	100%
B.8	GTL Nepal Pvt. Ltd.	31, Dec.	NPR	0.610	0.628	1.19	18.01	52.48	52.48	—	73.75	—	73.75	16.95	4.23	12.73	—	100%
Discontinued Operations / under liquidations																		
B.9	GTL Overseas Middle East FZ-LLC	31, Dec.	AED	16.840	17.340	0.84	80.59	81.46	81.46	—	4.21	—	4.21	(4.43)	—	(4.43)	—	100%
B.10	GTL International Nigeria Ltd.	31, Dec.	US\$	61.450	63.310	0.48	(8.58)	(7.97)	(7.97)	—	—	—	—	(0.61)	0.01	(0.62)	—	100%
B.11	Pt. GTL Indonesia	31, Dec.	IDR	0.005	0.005	0.80	(2.96)	—	—	—	0.69	—	0.69	27.28	—	27.28	—	100%
B.12	GTL Network Services Malaysia Sdn. Bhd.	31, Dec.	MYR	17.570	18.100	1.11	27.71	41.78	41.78	—	—	—	—	22.97	—	22.97	—	100%
B.13	GTL China Corporation Ltd.	31, Dec.	RMB	10.010	10.310	1.24	(1.16)	0.08	0.08	—	—	—	—	(0.21)	—	(0.21)	—	100%
B.14	GTL International Lanka (Private) Ltd.	31, Dec.	SLR	0.470	0.480	0.23	(2.27)	2.00	2.00	—	1.26	—	1.26	(0.68)	—	(0.68)	—	100%
B.15	GTL International Bangladesh Pvt. Ltd.	31, Dec.	BDT	0.800	0.830	0.29	(7.82)	10.24	10.24	—	0.67	—	0.67	(3.42)	—	(4.15)	—	100%
B.16	GTL Kenya Ltd.	31, Dec.	KES	0.690	0.710	0.01	0.77	1.53	1.53	—	2.50	—	2.50	(1.68)	0.08	(1.76)	—	100%
B.17	GTL Tanzania Ltd.	31, Dec.	TSH	0.040	0.040	0.00	0.37	0.50	0.50	—	0.77	—	0.77	0.15	0.12	0.03	—	100%
C	ADA Cellworks Wireless Engineering Pvt. Ltd.	31, Mar.	INR	1.000	1.000	0.09	1.55	1.97	1.97	—	1.03	—	1.03	(22.09)	(0.12)	(22.21)	—	100%

- Names of subsidiaries which are yet to commence operations: Not Applicable
- Names of subsidiaries which have been liquidated during the year:

Sr. No.	Name of the Companies
1	GTL Network Services SA Pty Limited
2	GTL Taiwan Co.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates	Latest audited Balance Sheet date	Shares of Associates held by the Company on the year end		Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in Crore)	Profit / (Loss) for the year		Description of How there is significant influence	Reason why the Associates is not Consolidated
			No.	Amount of Investment in Associates (₹ in Crores)		Considered in Consolidation (₹ in Crore)	Not Considered in Consolidation (₹ in Crore)		
1	GTL Infrastructure Limited	31-Mar-14	345,763,466	591.55	152.50	Nil	(61.63)	Note – A	Note – C
2	Global Rural Netco Pvt. Ltd.	31-Mar-14	75,000,000	75.00	115.16	(11.81)	Nil	Note – B	N.A.
3	Chennai Network Infrastructure Ltd.	31-Mar-15	1,700,742,399	1,637.48	640.88	Nil	(171.59)	Note – B	Note – C

Note:

- In earlier years, the Company's holding in GTL Infrastructure Limited (GIL) was more than 20% and on account of percentage holding, GIL became Company's Associates and continues to be as associate.
- There is significant influence due to percentage (%) of Share Capital
- Share of loss in associates viz GTL Infrastructure Limited and Chennai Infrastructure Limited is not considered in view of severe long term restrictions significantly impairing ability of the associate to transfer any funds to the Company as envisaged by AS-23 para 7(b), refer note No. 2.11.3

1. Names of associates or joint ventures which are yet to commence operations: Not Applicable

2. Names of associates or joint ventures which have been liquidated or sold during the year: Not Applicable

For and on behalf of the Board
Manoj G. Tirodkar

Chairman & Managing Director

Sunil S. Valavalkar
Whole-time Director

Vijay Vij
Director

Place : Mumbai
Date : May 05, 2015

Milind Bapat
Chief Financial Officer

Vidyardhar Apte
Company Secretary

ANNEXURE F TO DIRECTORS' REPORT**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1)
of the Companies (Management & Administration) Rules, 2014]

Financial Year ended on March 31, 2015**I. REGISTRATION AND OTHER DETAILS:**

Sr. No.	Particulars	Details
i	Corporate Identity Number (CIN)	L40300MH1987PLC045657
ii	Registration Date	December 23, 1987
iii	Name of the Company	GTL Limited
iv	Category / Sub-Category of the Company	Company having Share Capital
v	Address of the Registered office and contact details	'Global Vision', Electronic Sadan No. II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400710 Contact Person: Mr. Vidyadhar Apte – Company Secretary & Compliance Officer. Email: gtlshares@gtllimited.com Telephone No. 022– 27612929 Ext. No.: 2232–2235
vi	Whether listed company	Yes (Listed in BSE & NSE)
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	'Global Vision', Electronic Sadan No. II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400710 Contact Person: Mr. Jayendra Pai – AVP Investor Services / Mr. Divesh Sawant – Manager Investor Services. Email: gtlshares@gtllimited.com Telephone No. 022 27612929 Ext. Nos.: 2232–2235.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Telecom Services (Network Services)	612	71.35 %
2	Power Distribution Franchisee (Power Management)	351	28.65%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	CIN / GLN			
1	International Global Tele-Systems Ltd. Regd. Office: 5 th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius CIN / GLN : N.A.	Subsidiary	100	2(87)(ii)
2	GTL International Limited Regd. Office: Clarendon House, 2, Church Street, Hamilton, HM 11, Bermuda CIN / GLN : N.A.	Subsidiary	100	2(87)(ii)
3	GTL (Singapore) Pte Ltd. Regd. Office: 78, Shenton Way, #26–02A, Singapore 079120 CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)

Sr. No.	Name and Address of the Company	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	CIN / GLN			
4	GTL Saudi Arabia Company Limited Regd. Office: 615 Al Akaria 2, Olaya, P.O. Box 301146, Riyadh 11372, KSA CIN / GLN : N.A.	Step down Subsidiary	90	2(87)(ii)
5	GTL Overseas Middle East FZ LLC Regd. Office: Office 313, Building No. 2, Dubai Internet City, Dubai, UAE CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
6	GTL Overseas Middle East JLT Regd. Office: Office 2405, Mazaya Business Avenue, Plot No BB1, Jumeirah Lake Towers, Dubai, UAE CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
7	GTL International Nigeria Limited Regd. Office: Plot 310 B, Akin Ogunlewe Street, Victoria Island, Lagos, Nigeria CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
8	Pt. GTL Indonesia Limited Regd. Office: Jl. Cikini 2, No 8, Menteng, Jakarta Pusat, Indonesia 10330 CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
9	GTL Europe Limited Regd. Office: Global House, Spitfire Close, Ermine Business Park, Huntingdon, PE29 6YA, United Kingdom CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
10	GTL Network Services Malaysia Sdn Bhd. Regd. Office: 76-C, 3 rd Floor, Jalan SS 21/62, 47400 Petaling Jaya, Damansara Utama, Selangor, Malaysia CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
11	IGTL Network Services Philippines Inc. Regd. Office: Room 802, Vicente Madrigal Building, Next to PB COM, 6793, Ayala Avenue, Makati City, Manila, Philippines 1227 CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
12	GTL China Corporation Ltd. 3203, 28#, Building 401, Wangjing Park, Chaoyang District, Beijing City, China CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
13	GTL (USA) Inc. Regd. Office: 5200, Tennyson Parkway, Suite #200, Plano, TX 75024, USA CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
14	GTL International Lanka (Private) Ltd. Regd. Office: No. 57, D. S. Fonseka Road, Colombo 05, Sri Lanka CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
15	GTL International Bangladesh Pvt. Ltd. Regd. Office: Land View Commercial Centre, 28, Gulshan North C/A, 5 th Floor, Gulshan Circle 2, Dhaka 1212, Bangladesh CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
16	GTL Tanzania Limited Regd. Office: 031, Harbour View Towers, Sawora Avenue, PO Box 1847, Dar Es Salaam, Tanzania CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
17	GTL (Canada) Inc. Regd. Office: 5484, Tomken Road, Suite 14, Mississauga, Ontario, Canada L4W 2Z6 CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
18	GTL Nepal Pvt. Ltd. Regd. Office: Kotheshwor-35, Balkumari, Kathmandu, Nepal CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)

Sr. No.	Name and Address of the Company	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	CIN / GLN			
19	GTL Kenya Limited Regd. Office: Parklands Road, Westlands, PO Box 38336–00623, Nairobi, Kenya CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
20	iGTL Myanmar Ltd. Regd. Office: Building No. 8, Myanmar Info-Tech, Hlaing Township, Yangon, Myanmar CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
21	Ada Cellworks Wireless Engineering Pvt. Ltd. Regd. Off: Global Vision, ES-II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai 400710 MH. CIN / GLN : U64203MH2004PTC223982	Subsidiary	100	2(87)(ii)
22	GTL Infrastructure Limited Regd. Off: Global Vision, 3 rd Floor, ES-II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai 400710 MH. CIN / GLN : L74210MH2004PLC144367	Associate	14.87	2(6)
23	Global Rural Netco Limited Regd. Off: Global Vision, ES-II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai 400710 MH. CIN / GLN : U64200MH2009PLC192365	Associate	42.86	2(6)
24	Chennai Network Infrastructure Limited Regd. Off: Old No.34/1 DL, New No.403L, 7 th Floor, Samson Towers, Pantheon Rd., Egmore, Chennai 600008 TN. CIN / GLN : U64203TN2009PLC073803	Associate	25.79	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		01–Apr–14				31–Mar–15				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoter									
(1)	Indian									
(a)	Individual / HUF	18,599,435	–	18,599,435	11.82	18,599,435	–	18,599,435	11.82	–
(b)	Central Govt.									
(c)	State Govt.(s)									
(d)	Bodies Corp.	50,980,559	–	50,980,559	32.41	50,980,559	–	50,980,559	32.41	–
(e)	Banks / FI									
(f)	Any Other (Specify)									
	Sub–Total (A1)	69,579,994	–	69,579,994	44.23	69,579,994	–	69,579,994	44.23	–
(2)	Foreign									
(a)	NRIs – Individuals									
(b)	Other – Individuals									
(c)	Bodies Corp.									
(d)	Banks / FI									
(e)	Any Other (Specify)									
	Sub–Total (A2)									

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		01-Apr-14				31-Mar-15				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Total Shareholding of Promoter (A) = (A1) + (A2)	69,579,994	–	69,579,994	44.23	69,579,994	–	69,579,994	44.23	–
B	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	–	164	164	0.00	–	164	164	0.00	–
(b)	Banks / FI	40,091,551	500	40,092,051	25.49	38,858,969	500	38,859,469	24.70	–0.78
(c)	Central Govt.									
(d)	State Govt.(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies	1,307,259	–	1,307,259	0.83	1,307,259	–	1,307,259	0.83	–
(g)	FIs	147,996	6	148,002	0.09	27,374	6	27,380	0.02	–0.08
(h)	Foreign Venture Capital Funds									
(i)	Any Other (Specify)									
	Sub–Total (B1)	41,546,806	670	41,547,476	26.41	40,193,602	670	40,194,272	25.55	–0.86
(2)	Non–Institutions									
(a)	Bodies Corp.									
	i) Indian	9,591,353	9,289	9,600,642	6.10	9,168,693	9,289	9,177,982	5.83	–0.27
	ii) Overseas									
(b)	Individuals									
	i) Indiv. Sh/hldrs holding nominal share capital upto to ₹ 1 Lac	27,277,731	274,517	27,552,248	17.52	27,223,151	271,144	27,494,295	17.48	–0.04
	ii) Indiv. Sh/hldrs holding nominal share capital in excess of ₹ 1 Lac	7,946,642	20,148	7,966,790	5.06	9,915,105	20,148	9,935,253	6.32	1.25
(c)	Any Other (Specify)									
	i) Corp.Body OCBs	232,489	100	232,589	0.15	109,083	100	109,183	0.07	–0.08
	ii) Other Foreign Bodies	–	100	100	0.00	–	100	100	0.00	–
iii)	NRIs	814,181	328	814,509	0.52	802,941	328	803,269	0.51	–0.01
iv)	Trusts	500	–	500	0.00	500	–	500	0.00	–
v)	Foreign National	1,933	–	1,933	0.00	1,933	–	1,933	0.00	–
	Sub–Total (B2)	45,864,829	304,482	46,169,311	29.35	47,221,406	301,109	47,522,515	30.21	0.86

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		01-Apr-14				31-Mar-15				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B	Total Public Shareholding (B) = (B1) + (B2)	87,411,635	305,152	87,716,787	55.77	87,415,008	301,779	87,716,787	55.77	—
	TOTAL (A) + (B)	156,991,629	305,152	157,296,781	100.00	156,995,002	301,779	157,296,781	100.00	—
C	Shares held by Custodians for GDRs & ADRs	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	GRAND TOTAL (A) + (B) + (C)	156,991,629	305,152	157,296,781	100.00	156,995,002	301,779	157,296,781	100.00	—

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		01-Apr-14			31-Mar-15			
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Manoj Gajanan Tirodkar	18,599,435	11.82	100.00	18,599,435	11.82	100.00	0.00
2	Global Holding Corporation Private Limited	50,980,559	32.41	99.06	50,980,559	32.41	99.06	0.00
	TOTAL (A) + (B)	69,579,994	44.23	99.31	69,579,994	44.23	99.31	0.00

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	Same as (ii) above			
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	During the year under review, there is no change in promoters' shareholding.			
3	At the End of the year	Same as (ii) above			

iv. **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
A.	At the beginning of the year				
1	Bank of India	6,099,512	3.88%	6,099,512	3.88%
2	Andhra Bank	4,787,185	3.04%	4,787,185	3.04%
3	Punjab National Bank	4,045,570	2.57%	4,045,570	2.57%
4	IDBI Bank Limited	3,317,412	2.11%	3,317,412	2.11%
5	Canara Bank–Mumbai	3,293,975	2.09%	3,293,975	2.09%
6	Union Bank of India	2,769,496	1.76%	2,769,496	1.76%
7	Dena Bank	2,741,555	1.74%	2,741,555	1.74%
8	Vijaya Bank	2,654,910	1.69%	2,654,910	1.69%
9	Indian Overseas Bank	2,433,199	1.55%	2,433,199	1.55%
10	UCO Bank	1,854,519	1.18%	1,854,519	1.18%
B.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.):	No Change during the year			
C.	At the end of the year	Same as above under “A”			

v. **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
A	At the beginning of the year				
1	Mr. Manoj G. Tirodkar, Chairman & Managing Director	18,599,435	11.82%	18,599,435	11.82%
2	Mr. D. S. Gunasingh, Independent Director	100	0.00%	100	0.00%
3	Mr. Vidyadhar A. Apte, Company Secretary	2,866	0.00%	2,866	0.00%
4	Mr. Milind V. Bapat, CFO	15,100	0.01%	15,100	0.01%

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
B.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.):	No Change during the year			
C.	At the end of the year	Same as at the beginning of the year (A. above)			

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(₹ in Crore)

	Secured Loans (excluding deposits)	Unsecured Loans*	Total Indebtedness
Indebtedness at the beginning of the financial year			
Principal Amount	2,507.65	2,299.25	4,806.90
Interest due but not paid	25.73	502.17	527.90
Interest accrued but not due	6.27	Nil	6.27
Total (i+ii+iii)	2,539.65	2,801.42	5,341.07
Change in Indebtedness during the financial year			
Addition	406.12	470.78	876.90
Reduction	(256.63)	(645.15)	(901.78)
Net Change	149.49	(174.37)	(24.88)
Indebtedness at the end of the financial year			
Principal Amount	2,484.25	2,344.02	4,828.27
Interest due but not paid	204.89	283.03	487.92
Total (i+ii)	2,689.14	2,627.05	5,316.19

*Unsecured Loans consist of NCD lenders (SCB–Mauritius) and ECB lenders (Cross Asia Fund Limited, Bank Muscat, Bank of Baroda, Bank of India, Pegasus CP One Limited, Indian Bank–Columbo, Indian Bank–Singapore, Indian Overseas Bank, PNB International & Syndicate Bank). Further, winding–up petition filed by NCD holders has been challenged by the Company and the matter is currently sub–judice.

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole–time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount (Rupees)
		Mr. Manoj Tirodkar – CMD	Mr. Arun Prabhu Khanolkar – WTD*	Mr. Sunil S. Valavalkar – WTD*	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income–tax Act, 1961	3,527,080	3,841,364	420,794	7,789,238
(b)	Value of perquisites u/s 17(2) Income–tax Act, 1961	Nil	10,219	Nil	10,219
(c)	Profits in lieu of salary under section 17(3) Income–tax Act, 1961				

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount (Rupees)
		Mr. Manoj Tirodkar – CMD	Mr. Arun Prabhukhanolkar – WTD*	Mr. Sunil S. Valavalkar – WTD*	
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission				
	– as % of profit	Nil	Nil	Nil	Nil
	– others, specify.	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	3,527,080	3,851,583	420,794	7,799,457
	Ceiling as per the Act	4,800,000**	4,800,000**	#	#

* Since this information is for part of the year, the same is not comparable

** Ceiling in terms of the provisions of the extant statute at the time of appointment

The payment of managerial remuneration to Mr. Valavalkar is subject to central government approval, being sought

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rupees)
		Prof. S.B. Navathe*	Mr. Vijay Vij	Mr. D.S. Gunasingh	Mr. Navin Kripalani	Mr. Hemant Desai*	
1.	Independent Directors						
	– Fee for attending board / committee meetings (₹)	10,000	145,000	110,000	120,000	30,000	415,000
	– Commission	Nil	Nil	Nil	Nil	Nil	Nil
	– Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1) (₹)	10,000	145,000	110,000	120,000	30,000	415,000
		Mr. Ajay Sharma^	Mr. Dilip Kumar Mandal^				
2	Other Non–Executive Directors						
	– Fee for attending board / committee meetings (₹)	10,000	10,000				20,000
	– Commission	Nil	Nil				Nil
	– Others, please specify	Nil	Nil				Nil
	Total (2) (₹)	10,000	10,000				20,000
	Total (B)=(1+2)						435,000
	Total Managerial Remuneration						8,234,457
	Overall Ceiling as per the Act						#

* Since this information is for part of the year, the same is not comparable.

^ Nominee Directors of IDBI Bank held position for part of the year and sitting fees were paid directly to the bank they represent.

Since the Company has incurred losses, the overall ceiling is as per limits stipulated in the erstwhile provisions of the Companies Act, 1956 and / or the Companies Act, 2013 and / or subject to central government approval, wherever applicable.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (Amount in Rupees)			
		CEO	CFO	Company Secretary	Total
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	11,466,209	9,489,993	20,956,202
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		28,800	Nil	28,800
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		Nil	Nil	Nil
2.	Stock Option		Nil	Nil	Nil
3.	Sweat Equity		Nil	Nil	Nil
4.	Commission				
	– as % of profit		Nil	Nil	Nil
	– others, specify.		Nil	Nil	Nil
5.	Others, please specify		Nil	Nil	Nil
	Total		11,495,009	9,489,993	20,985,002

VII. Penalties / Punishment / Compounding of Offences:

There were no penalties, punishments or compounding of offences under the Companies Act, 2013 during FY 2014–15.

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, DIRECTOR IDENTIFICATION NUMBER (DIN)	PD/ NPD *	ED/ NED/ ID/NID/ND*	Attendance in Board Meetings		Attendance in last AGM	Other Companies as on 31/03/2015			
			Held	Attended		Board Directorship (incl. Chairmanship) **	Board Chairmanship **	Committee Membership (incl. Chairmanship) ***	Committee Chairmanship ***
Mr. Manoj Tirodkar [DIN: 00298407]	PD	ED/NID	4	4	Present	2	2	1	0
Prof. S.B. Navathe [DIN: 00584567]	NPD	NED/ID	3\$	1	Absent	N.A.	N.A.	N.A.	N.A.
Mr. Vijay Vij [DIN: 02245470]	NPD	NED/ID	4	4	Present	2	0	4	1
Mr. D. S. Gunasingh [DIN: 02081210]	NPD	NED/ID	4	3	Present	1	0	2	1
Mr. Navin J. Kripalani [DIN: 05159768]	NPD	NED/ID	4	4	Present	0	0	0	0
Mr. Hemant S. Desai [DIN: 00740157]	NPD	NED/ID	2#	2	Present	N.A.	N.A.	N.A.	N.A.
Mr. Ajay Sharma [DIN: 06417150]	NPD	NED/NID/ND	2##	1	Absent	N.A.	N.A.	N.A.	N.A.
Mr. A. V. Prabhukhanolkar [DIN: 01501683]	NPD	ED/NID	3^	3	Present	N.A.	N.A.	N.A.	N.A.
Mr. Dilip Kumar Mandal [DIN: 03313130]	NPD	NED/NID/ND	2##	1	N.A.	0	0	0	0
Mr. Sunil S. Valavalkar [DIN: 01799698]	NPD	ED/NID	1^^	1	N.A.	0	0	0	0
Mrs. Siddhi M. Thakur [DIN: 07142250]	NPD	NED/ID	N.A.@	N.A.	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;
NID – Non Independent Director

** In Indian Public Limited Companies.

*** In Audit, Stakeholders Relationship and Nomination & Remuneration Committees of Indian Public Limited Companies.

\$ Prof. S.B. Navathe was granted leave of absence for the Board Meetings not attended by him on account of his occupation in USA. Owing to his busy schedule and also difficulty in making frequent trips to India to attend Board Meetings, Prof. Navathe relinquished his position as a Director w.e.f. January 20, 2015.

Mr. Hemant Desai since did not opt for re-appointment and accordingly retired in the 26th AGM held on September 16, 2014.

IDBI Bank changed its nominee director Mr. Ajay Sharma, who was appointed effective October 8, 2012 and replaced with Mr. Dilip Kumar Mandal, effective October 1, 2014. In terms of the amended Listing Agreement, Nominee Directors are treated as Non-Independent effective October 1, 2014.

^ Mr. Arun Vasudeo Prabhukhanolkar relinquished his position as a Whole-time Director and Director w.e.f. December 16, 2014.

^^ Mr. Sunil S. Valavalkar was appointed as an Additional Director and also a Whole-time Director w.e.f. December 16, 2014.

@ In order to comply with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges where shares of the Company are listed, in respect of appointment of a woman director, Mrs. Siddhi M. Thakur was appointed as an Additional Director and also an Independent Director w.e.f. March 31, 2015.

- Details of Board Meetings held during the year:

Dates of Board Meeting	20-May-14	09-Aug-14	30-Oct-14	05-Feb-15
Board Strength	8	8	7	6
No. of Directors Present	8	5	6	5

Note: In terms of Clause 49 (II)(B)(6) of the Listing Agreement with the Stock Exchanges where shares of the Company are listed and Schedule IV to the Companies Act, 2013, a meeting of Independent Directors was convened on March 23, 2015 for transacting stipulated business.

III. AUDIT COMMITTEE:

Powers of Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any Employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of Reference / Role:

The role of the Audit Committee shall include the following:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors including cost auditors, if any, of the Company;
- Approval of payment to statutory auditors including cost auditors, if any, for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory including cost auditors, if any, and internal auditors, adequacy of the internal control systems;

13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. 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 and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. Explanation (i): The term “related party transactions” shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement;
22. To review the financial statements, in particular, the investments made by the unlisted subsidiaries of the Company;
23. To review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. 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				
	20-May-14	09-Aug-14	10-Sep-14	30-Oct-14	05-Feb-15
Mr. Vijay Vij, Chairman	P	P	P	P	P
Mr. D. S. Gunasingh, Member	P	A	P	P	P
Mr. Navin J. Kripalani, Member	P	P	P	P	P

P–Present, A–Absent

IV. NOMINATION & REMUNERATION COMMITTEE (NRC)

Brief description of terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Review of HR Policies / Initiatives & Senior Level Appointments;

6. Administer and supervise Employees Stock Option Schemes including allotment of shares arising out of conversion of Employee Stock Option Scheme(s) or under any other employee compensation scheme;
7. 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, 2003.
8. Perform such other functions consistent with regulatory requirements.

• **Composition of NRC and Attendance of Members:**

Name of Director and Position	Meetings / Attendance						
	20-May-14	06-Jun-14	09-Aug-14	30-Oct-14	16-Dec-14	05-Feb-15	30-Mar-15
Mr. Vijay Vij, Chairman	P	P	P	P	P	P	P
Mr. D. S. Gunasingh, Member	P	P	A	P	P	P	P
Mr. Navin Kripalani, Member	P	P	P	P	P	P	P

P–Present, A–Absent

• **Remuneration Policy:**

The Policy Dossier approved by the Board at its meeting held on May 20, 2014 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, 2013.
- 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, 2013.
- Eligible for ESOPs (other than Independent and Promoter Directors).

• **Details of remuneration to all the Directors during the year ended March 31, 2015.**

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	33,68,320	158,760	–	@	@	NA	3,527,080	*
Mr. Arun Prabhukhanolkar	36,91,139	150,225	10,219	@	@	NA	38,51,583	Retirement by Rotation **
Mr. Sunil S. Valavalkar	3,97,587	23,207	–	@	@	NA	420,794	Retirement by Rotation ***
Prof. S.B. Navathe	–	–	–	@	–	10,000	10,000	#
Mr. Vijay Vij	–	–	–	@	–	145,000	145,000	##
Mr. D. S. Gunasingh	–	–	–	@	–	110,000	110,000	##
Mr. Navin Kripalani	–	–	–	@	–	120,000	120,000	##
Mr. Hemant Desai	–	–	–	@	–	30,000	30,000	\$
Mr. Ajay Sharma	–	–	–	@	–	@@ 10,000	10,000	^
Mr. Dilip Kumar Mandal	–	–	–	@	–	@@ 10,000	10,000	^
Mrs. Siddhi M. Thakur	–	–	–	@	–	Nil	Nil	\$\$

* 5 years w.e.f. August 18, 2013 / notice period 6 months or 6 months' salary in lieu of the notice / Nil / Nil.

** 3 years w.e.f. August 01, 2013 / notice period 6 months or 6 months' salary in lieu of the notice / Nil / Nil. However, Mr. Arun Vasudeo Prabhukhanolkar relinquished his position as a Whole-time Director and Director w.e.f. December 16, 2014.

- *** 3 years w.e.f. December 16, 2014 / notice period 3 months or 3 months' salary in lieu of the notice / Nil / Nil. The payment of remuneration is subject to Central Government approval.
- # Prof. S. B. Navathe was appointed as an Independent Director w.e.f. September 16, 2014 till September 15, 2015, however, owing to his busy schedule and also difficulty in making frequent trips to India to attend Board Meetings, Prof. Navathe relinquished his position as a Director w.e.f. January 20, 2015.
- ## Mr. Vijay Vij, Mr. D. S. Gunasingh and Mr. Navin Kripalani were appointed as Independent Directors respectively from September 16, 2014 up to September 15, 2019 and they are not liable to retire by rotation.
- \$ Mr. Hemant Desai since did not opt for re-appointment and accordingly retired in the 26th AGM held on September 16, 2014.
- ^ IDBI Bank changed its nominee director Mr. Ajay Sharma, who was appointed effective October 8, 2012 and replaced with Mr. Dilip Kumar Mandal, effective October 1, 2014.
- @ 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.
- @@ Sitting fees payable to Nominee Directors are paid directly to the bank they represent.
- \$\$ In order to comply with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges where shares of the Company are listed, in respect of appointment of a woman director, Mrs. Siddhi M. Thakur was appointed as an Additional Director. The Board has also appointed Ms. Thakur as an Independent Director from March 31, 2015 till March 31, 2018. Both these appointments are subject to shareholders' approval being obtained in the ensuing Annual General Meeting.

Notes:

1. Mr. D. S. Gunasingh held 100 equity shares in the Company as on March 31, 2015.
2. Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Directors.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE:

- Composition of Committee

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

- Name of Non-Executive Director heading the Committee: Mr. D. S. Gunasingh.
- Name and Designation of compliance officer: Mr. Vidyadhar A. Apte, Company Secretary.
- Number of shareholders complaints received during 2014–15: 4
- 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:**

	2011–12	2012–13	2013–14
Date	12–Sep–2012	17–Sep–2013	16–Sep–2014
Time	10.30 A.M.	10.30 A.M.	11.00 A.M.
Venue	Vishnudas Bhawe Natyagruha, Sector 16–A, Vashi, Navi Mumbai, 400 703		
Details of Special Resolutions passed	a. Appointment of M/s. Godbole Bhawe & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants, as Joint Auditors of the Company.	a. Appointment of M/s. Godbole Bhawe & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants, as Joint Auditors of the Company.	a. Approval to the Board of Directors to borrow a sum not exceeding ₹ 7,000 Cr.
	b. Alteration of Articles of Association for Increase in Authorised Share Capital.	b. Appointment of Mr. Arun Prabhukhanolkar as a Whole–time Director of the Company.	b. Authority to issue securities either through Public Issue or through Private Placement

	2011-12	2012-13	2013-14
	c. Issue of Non Participating Optionally Convertible Cumulative Preference Shares.	c. Re-appointment of Mr. Manoj G. Tirodkar as the Chairman & Managing Director of the Company. d. Substitution of the words describing Relevant date appearing in point (a) of the second paragraph of Resolution No. 11 passed at the 24 th Annual General meeting. e. Ratification of the decision of the Board cancelling all outstanding and unvested warrants with the employees under earlier ESOP Schemes.	

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

Yes, details as under:

- Resolution under Section 180(1)(a) of the Companies Act, 2013, read with Rule 22(16)(i) of the Companies (Management and Administration) Rules, 2014, empowering the Company for creation of charges / mortgage. The Company received 250 postal ballot forms and 148 E-Votes aggregating 398 ballots. After weeding out 20 forms on technical grounds, out of total valid 378 postal ballot forms (including E-Votes) for 7,51,65,388 equity votes, 329 ballots consisting of 7,51,53,638 equity votes representing 99.98% of valid votes were in favour of the resolution. Accordingly, based on the report of the scrutinizer, the resolution was declared as passed as a special resolution on September 25, 2014.
- Resolution under Section 186(3) of the Companies Act, 2013, read with Rule 22(16)(j) of the Companies (Management and Administration) Rules, 2014, thereby empowering the Company for giving loans, guarantee or providing security in connection with loan to any other body corporate or a person and acquiring securities of any other body corporate, whether existing or new. The Company received 250 postal ballot forms and 148 E-Votes aggregating 398 ballots. After weeding out 23 forms on technical grounds, out of total valid 375 postal ballot forms (including E-Votes) for 7,51,65,228 equity votes, 322 ballots consisting of 7,51,53,200 equity votes representing 99.98% of valid votes were in favour of the resolution. Accordingly, based on the report of the scrutinizer, the resolution was declared as passed as a special resolution on September 25, 2014.

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

Mr. Virendra G. Bhatt, Practicing Company Secretary.

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

The Company is proposing to pass special resolution as under:

- Special Resolution under Section 180(1)(a) of the Companies Act, 2013, read with Rule 22(16)(i) of the Companies (Management and Administration) Rules, 2014, empowering the Company to sale its Operations, Maintenance & Energy Management business, current / non-current assets etc.
- The Procedure for postal ballot:
- Postal Ballot Forms are being sent to all shareholders with Draft resolution and Explanatory Statement pursuant to Sections 110 and 102(1) of the Companies Act, 2013, for obtaining approval of the members.
 - In compliance with the provisions of Clause 35B of the Listing Agreement and Sections 108 and 110 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Company is

pleased to offer e-voting facility as an option to all the Members of the Company to exercise their right to vote. The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating the e-voting. The voting period begins on Saturday, August 29, 2015 at 09:00 AM and ends on Monday, September 28, 2015 at 05:00 PM.

- c. The Company has appointed. Mr. Virendra G. Bhatt, a Company Secretary in Practice, Mumbai, as Scrutinizer for conducting the Postal Ballot voting process.
 - d. Members are requested to carefully read the instructions in the Postal Ballot Notice / Explanatory Statement and Postal Ballot Form, record their assent or dissent therein and cast their vote either electronically or by sending the Postal Ballot Form duly completed, in original, in the self-addressed pre-paid envelope, so as to reach the addressee on or before the closing of working hours i.e. 5:00 p.m on Monday, September 28, 2015.
 - e. The Scrutinizer will scrutinize and submit his report to the Chairman & Managing Director / Whole-time Director after ascertaining votes through e-voting and Postal Ballot forms and the results of the Postal Ballot will be announced by the Chairman & Managing Director / Whole-time Director on Wednesday, September 30, 2015.
- **Details of Extra-Ordinary General Meetings held in last three years:**

Sr. No.	Date	Time	Venue	Purpose
1.	FY 2012-13	NA	NA	NA
2.	FY 2013-14	NA	NA	NA
3.	FY 2014-15 September 25, 2014 (Date of announcement of result of Postal Ballot)	11:00 am	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 038.	<p>a. Continuation of authority for creating charges / mortgage in favor of lenders / creditors of the Company under section 180 (1)(a) of the Companies Act, 2013 for securing the sum or sums of monies aggregating ₹ 7,000 Cr.</p> <p>b. Continuation of authority to the Company for giving loans, guarantee or providing security in connection with loan to any other body corporate or a person and acquiring securities of any other body corporate, whether existing or new under section 186 (3) of the Companies Act, 2013, for a total amount not exceeding ₹ 6,000 Cr.</p>

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 the Whistle Blower Policy which is a channel for receiving and redressing employees' complaints and that 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 XI(B) 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 2014-15. 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 2014-15.
Pursuant to sub-clause IX of Clause 49 of the Listing Agreement, the Chairman & Managing Director (CEO) and the Chief Financial Officer (CFO) have issued a certificate to the Board, for the year ended March 31, 2015.

- **Non Mandatory requirements:**

The Board –

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

Shareholders Rights –

Financial Results for the half year / quarter ended September 30, 2014 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.

Audit Qualifications –

For the FY 2014–15 there are no audit qualifications to the Company's financial statements.

Separate post of Chairman and CEO –

The Company will consider segregation of the post of the Chairman and CEO, however, in view of the provisions contained in the CDR documents, for making any change in the management set up; prior approval of CDR Empowered Group is required.

Reporting of Internal Auditor –

The Internal Auditor of the Company reports to the Audit Committee

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–14	30–Jun–14	30–Sep–14	31–Dec–14
Free Press Journal	21–May–14	10–Aug–14	31–Oct–14	06–Feb–15
Navshakti	21–May–14	10–Aug–14	31–Oct–14	06–Feb–15

- **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

- **The presentation made to institutional investors or to the analysts**

During the year under review, the Company has not made any presentations to institutional investors or to the analysts.

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 27th Annual General Meeting

Wednesday, September 23, 2015, 11:00 a.m. at Marathi Sahitya, Sanskriti & Kala Mandal, Sahitya Mandir Hall, Near Navi Mumbai Sport Association, Sector 6, Vashi, Navi Mumbai 400703, Maharashtra.

2. a. Financial Year

April 1 – March 31

b. Financial Calendar for FY 2015–16
Results for Quarter Ending

Q1, June 30, 2015
Q2, September 30, 2015
Q3, December 31, 2015
Q4, March 31, 2016

To be Published

On or before August 14, 2015
On or before November 14, 2015
On or before February 14, 2016
On or before May 30, 2016

3. **Date of book closure** Wednesday, September 23, 2015.
4. **Dividend Payment** The Board has not recommended any dividend for FY 2014–15.
5. **Listing on Stock Exchanges** BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). Listing Fees for 2015–16: Paid to both the Stock Exchanges.
6. **Stock Exchange Codes (Equity):**

Stock Exchange / News Agency	Stock Code	Non-Convertible Debentures (Listing on BSE only) *		
BSE	500160	Series	ISIN	BSE Code
NSE	GTL	Series I	INE043A08017	946494
Reuters Code	GTL.BO & GTL.NS	Series II	INE043A08025	946495
Bloomberg ticker	GTS:IN	Series III	INE043A08033	946496
Equity ISIN	INE043A01012	Series IV	INE043A08041	946521
		Series V	INE043A08058	946522
		Series VI	INE043A08066	946523

Debenture Trustees: IDBI Trusteeship Services Ltd., Asian Building, Gr. Flr., 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001.

Tel.: 022–4080 7000; **Fax:** 022–6631 1776 / 4080 7080; **Email:** its@idbitrustee.com

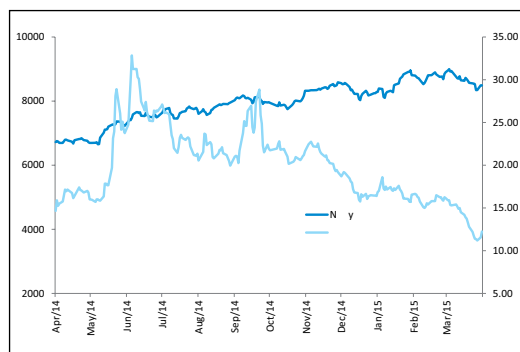
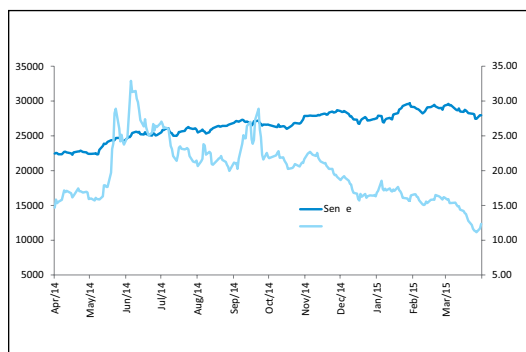
* In view of pending restructuring of NCDs, currently, the same are suspended for trading as the formalities for listing of restructured NCDs are pending due to documentation

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–2014	17.44	14.68	16,68,218	17.40	14.65	43,52,591
May–2014	28.90	15.70	49,45,457	28.90	15.70	1,17,72,911
Jun–2014	32.90	24.80	34,95,356	32.85	24.75	67,21,283
Jul–2014	27.05	21.20	9,96,600	27.10	21.10	24,68,442
Aug–2014	23.80	19.95	12,99,564	23.70	19.95	27,01,198
Sep–2014	28.90	20.25	66,89,594	28.85	20.25	1,25,06,890
Oct–2014	22.80	20.25	15,59,518	22.80	20.15	27,14,121
Nov–2014	22.70	19.10	20,01,719	22.75	19.20	29,27,083
Dec–2014	19.20	15.70	13,76,781	19.20	15.75	24,79,426
Jan–2015	18.55	15.65	27,69,218	18.60	15.70	48,46,416
Feb–2015	16.60	15.05	13,87,699	16.65	15.00	29,04,409
Mar–2015	15.90	11.15	13,23,493	15.90	11.20	33,88,752

8. GTL's share performance in comparison to broad-based indices (BSE: Sensex and 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 Permanent Registration Code INR000003951.

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 Stakeholder's Relationship Committee of the Board, 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 Practicing Company Secretary a 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.

A total number of 450 equity shares (in physical form) were transferred during the year under review (Previous year 346).

11. Distribution of shareholding as on March 31, 2015:

A. Distribution of shares according to size of holding

No. of Shares	No. of Shareholders	% of Shareholders	Share amount (₹)	% to Total
Upto 500	73,271	85.87	9,33,62,950	5.94
501 – 1000	5,980	7.01	4,86,56,750	3.09
1001 – 2000	3,058	3.58	4,71,15,120	3.00
2001 – 3000	1,015	1.19	2,60,85,000	1.66
3001 – 4000	515	0.60	1,85,85,760	1.18
4001 – 5000	352	0.41	1,66,92,830	1.06
5001 – 10000	628	0.74	4,60,01,520	2.92
10001 & Above	512	0.60	1,27,64,67,880	81.15
TOTAL:	85,331	100.00	1,57,29,67,810	100.00

B. Distribution of shares by categories of shareholders

Category	No. of Shares Held	Voting Strength %
Promoter & Promoter Group	6,95,79,994	44.23
Bodies Corporate (Domestic) / Trusts / Clearing Members	91,78,482	5.84
Banks	3,88,59,469	24.70
Mutual Funds	164	0.00
Financial Institutions (FIs)	13,07,259	0.83
Foreign Institutional Investors (FIIs)	27,380	0.02
Non-Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign National	9,14,485	0.58
Resident Individuals	3,74,29,548	23.80
TOTAL:	15,72,96,781	100.00

C. Top 10 Shareholders

Name(s) of Shareholders	Category	Shares	%
Global Holding Corporation Private Limited (Promoter)	Domestic Company	5,09,80,559	32.41%
Manoj Gajanan Tirodkar (Promoter)	Director	1,85,99,435	11.82%
Bank of India	Bank	60,99,512	3.88%
Andhra Bank	Bank	47,87,185	3.04%
Punjab National Bank	Bank	40,45,570	2.57%
IDBI Bank Limited	Bank	33,17,412	2.11%
Canara Bank	Bank	32,93,975	2.09%
Union Bank Of India	Bank	27,69,496	1.76%
Dena Bank	Bank	27,41,555	1.74%
Vijaya Bank	Bank	26,54,910	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. 99.81% of the Company's shares are held in dematerialised form as on March 31, 2015 (99.81% as on March 31, 2014).

The Company's equity shares are among the regularly traded shares on the BSE and NSE. Relevant data for the traded volumes is provided hereinabove.

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

Currently, no convertible instruments are issued by the Company and resultantly, there is no impact on equity.

14. Plant Locations:

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

15. Address for correspondence**A. Registered Office & Investor Service Centre (ISC):**

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

Website: www.gtllimited.com

CIN: L40300MH1987PLC045657

B. 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 / 2233 / 2228 / 3182 **FAX:** +91 22 2768 0171

Website: www.gtllimited.com

E-mail for Investor Grievance/s: gtlshares@gtllimited.com

C. 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

16. Legal Proceedings:

As on March 31, 2015, there were 52 cases against the Company, pending in various Courts and other Dispute Redressal Forums.

In 12 out of 52 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 12 cases.

Out of the balance 40 cases, 29 cases are from its earlier power business and 10 cases are from telecom related businesses which 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, highly exaggerated and without any basis and therefore the Company is resisting and defending these claims. The contingent liability of these 40 cases is ₹ 23,427,158/–.

In one case NCD holder has filed winding up petition against the Company before Hon'ble High Court of Bombay, in view of pending restructuring of NCD's due to inter-creditor issues, where in the claim amount is ₹ 18,584,551,530/–

The total contingent liability against the Company is ₹ 18, 607,978,688/–.

17. Unpaid / Unclaimed Dividends:

Pursuant to provisions of Section 205A(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 FY 2007–08 during March 2015 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 Transfer to Unclaimed A/c	Due Date for Transfer to IEPF
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 16, 2014 (date of last AGM) on the website of the Company as also on the website of the Ministry of Corporate Affairs.

18. Equity Shares in the Suspense Account:

The Company has no cases as are referred to in Clause 5A(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, 2015, 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, 2014	926	102,477
(ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	15	1737
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	5	542
(iv)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on March 31, 2015	921	101,935

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, 2015.

Date: May 5, 2015

Place: Mumbai

Manoj G. Tirodkar

Chairman & Managing Director

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

Mr. Sunil Sadanand Valavalkar, Addl. & Whole-time Director

Born on February 9, 1964, Mr. Sunil Sadanand Valavalkar is a Commerce Graduate of the University of Mumbai and also holds a certificate in Marathi Journalism. He has over 30 years of work experience, of which he was associated with General Insurance Corporation of India for about 25 years and has also been associated with State Bank of Bikaner & Jaipur, Air India and HDFC. During his association with the Company since August 2010, he has handled various assignments in public relations, media contacts, Government liaison, Corporate Social Responsibility etc.

Currently he holds directorship in the All India Pickleball Association.

In GTL Limited, he serves as Member of Business Authorisation Committee and Corporate Social Responsibility Committees.

Mr. Valavalkar does not hold any shares of the Company either through himself or through his relatives.

Mrs. Siddhi Mandar Thakur – Addl. & Independent Director

Mrs. Siddhi M. Thakur, aged 27 years, is a Graduate in Hospitality & Tourism Management from the Mumbai University and holds a post graduate diploma in Tourism Management from Thames Valley University, London.

She has also completed a certificate course in Computer Technology from the Maharashtra Business Training Board. She has worked overseas with Satlite Ensured – London and Golden Tours Ltd. – London, between April 2009 and October 2010 and with Thomas Cook (India) Pvt. Ltd. between May 2011 and April 2014.

Currently, she is offering consultancy to travel, tour and hospitality industry / sector.

She does not hold any other directorships.

Ms. Thakur does not hold any shares of the Company either through herself or through her relatives.

INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS OF GTL Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GTL Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate

in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control systems over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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;

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the standalone financial statements:

- Note No. 2.8.1 to the standalone financial statements which inter-alia describes the uncertainty related to the outcome of the winding up petition filed against the Company by the holders of Non Convertible Debentures issued by the Company.
- Note No. 2.39 in the standalone financial statements which describes that the Company has incurred cash losses, its Net worth has been substantially eroded and the Company's current liabilities have exceeded its current assets as at the balance sheet date.

These conditions, along with other matters set forth in the said note, indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
- Note No. 2.11.3 in the standalone financial statements which states that the book values/market values of certain long term investments of the Company referred to in the said note are lower than their carrying values and non provision for diminution in value of these investments for the reasons stated therein.
- Note No.2.23.1 in the standalone financial statements regarding managerial remuneration, which is subject to the approval of the Central Government

Our opinion is not modified in respect of these matters.

Other Matter

As at March 31, 2015, the Company has a Term Loan and Funded Interest Term Loan liability of Rs. 20.64 Crores. payable to Standard Chartered Bank, one of the banks participating in Corporate Debt Restructuring scheme approved by CDR Empowered Group. The Company has accounted the above liability as per the terms of CDR scheme. However, confirmation of the above liability has not been received.

Our opinion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The reports on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report.
 - d. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. The winding up petition filed by the holders of Non Convertible Debentures issued by the Company

as described in sub-paragraph (a) and the going concern matter described in sub-paragraph (b) under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

- g. On the basis of management representation and on the basis of legal opinion obtained by the Company in the context of provisions of section 164(2) of the Act in relation to non payment of dues to the holders of Non Convertible Debentures and on the basis of written representations received from the directors as on 31 March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 2.30 to the standalone financial statements ;
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Unpaid Dividend of Rs. 0.15 Crores pertaining to the years 2000-01 to 2001-02 and 2003-04 to 2006-07 which has not been transferred to the Investor Education and Protection Fund but is held in abeyance on account of pending legal cases is not considered for reporting under this clause

For **Godbole Bhawe & Co.**
Chartered Accountants
Firm Reg. No. – 114445W

M.V. Bhawe
Partner
Membership No. – 038812
Place: Mumbai
Date: 5th May 2015

For **Yeolekar & Associates**
Chartered Accountants
Firm Reg. No. – 102489W

S. S. Yeolekar
Partner
Membership No. – 036398

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of GTL Limited on the accounts for the year ended March 31, 2015)

- (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 a phased program of physical verification of the fixed assets, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. During the year the Company, in accordance with the said program, has physically verified certain fixed assets. No material discrepancies were noticed on such physical verification.

- (ii) 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, having regard to the size of the operations of the Company.

According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 189 of the Act. Accordingly clause (iii) of Paragraph 3 of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company.

In our opinion and according to the information and explanations given to us, there is an adequate internal

control system 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 system.

- (v) According to the information and explanations given to us, the Company has not accepted any deposits from public therefore, the provisions of clause (v) of Paragraph 3 of the Companies Auditor's Report) Order, 2015 are not applicable to the Company.

- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records & Audit) Rules, 2014 prescribed by the Central Government under section 148 (1) (d) of the Act and are of the opinion that prima facie the prescribed cost 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.

- (vii) (a) 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 Sales Tax, is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State insurance, Income-tax, Wealth-tax, Service Tax, Value Added Tax, Duty of Customs, Duty of Excise, Cess and other applicable statutory dues.

On the basis of examination of the relevant records and according to the information and explanations given to us, except for Sales Tax dues of Rs. 5.68 Crores, no undisputed amounts payable in respect of Provident Fund, Employees' State insurance, Income-tax, Wealth-tax, Value added Tax, Service Tax, Duty of Customs, Duty of Excise and Cess were outstanding, as at 31st March 2015 for a period of more than six months from the date they became payable.

- (b) On the basis of the books of accounts and records of the Company as produced and examined by us, except for disputed Sales tax and Value Added Tax dues as detailed below, there are no dues of Income Tax, Wealth-tax, Service Tax, Duty of customs, Duty of excise and cess which have not been deposited on account of any dispute.

Name of the Statute	Nature of Dues	Amount (Rs. in Crores)	Year to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, Sales Tax Act & VAT Acts of various States	Sales / Vat Tax Dues	6.76	1992-1993, 1995-1996, 2006-2007, 2008-2009, 2009-2010, 2010-2011, 2014-2015 & Feb 09 to Dec 10	1 st Appellate Authority
		4.97	1995-1996, 1997-1998, 2004-2005, 2005-2006, 2007-2008, 2008-2009 & 2009-2010	2 nd Appellate Authority
		0.49	2009-2010	Assessing Officer

Out of the above disputed sales tax / value added tax dues, an amount of Rs. 0.91 Crores has been paid by the Company under protest.

In our opinion and according to the information and explanations given to us the amounts required to be transferred to Investor Education & Protection Fund in accordance with relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time except for unpaid dividend of Rs. 0.15 Crores pertaining to the years 2000–01 to 2001–02 and 2003–04 to 2006–07, which is held in abeyance on account of pending legal cases.

- (viii) The accumulated losses of the Company as at the end of the financial year are in excess of 50% of its networth. The Company has incurred cash loss during the financial year covered by our audit and also in the immediately preceding financial year.
- (ix) 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 Rs. 694.86 Crores which were due for payment in September, 2011 and interest of Rs. 93.75 Crores due thereon which relates to the period from December, 2011 to March, 2015.

The Company has defaulted in repayment of Secured term loan of Rs. 419.55 Crores to the banks which relates to the period from June 2014 to March 2015.

The Company has defaulted in payment of Interest of Rs. 196.54 Crores on Secured Term Loan from banks which relates to the period from June 2014 to March 2015, Interest of Rs. 5.87 Crores on Secured Funded Interest Term loan from the banks which relates to the period from June 2014 to March 2015 and Interest of Rs. 2.48 Crores on Cash Credit facility from the banks which relates to the period from September 2014 to March 2015.

As regards dues payable by the Company to the holders of Rated Redeemable Unsecured Rupee Non-convertible Debentures we invite attention to Note No 2.8.1 to the financial statement which inter-alia states that

“due to certain inter-creditor issues, and pendency of consent by CDR Lenders, the restructuring of NCD as was bilaterally agreed between the Company and

NCD Holders in terms of amendment to the original sanction letter, on March 22, 2014 could not be implemented within the time prescribed under definitive documentation entered into with the NCD holders. While the Company was in the process of obtaining consent of the CDR lenders on bilateral restructuring documents, the Company received a notice on October 27, 2014 from the NCD holder exercising its rights for acceleration of the entire outstanding amount and in January 2015 the NCD holders filed winding up petition against the Company before Hon'ble High Court of Bombay seeking certain urgent / interim reliefs. The CDR and ECB lenders of the Company have also intervened in the proceedings initiated by the NCD holder. The Bombay High Court has asked CDR lenders' position on the NCD holder's treatment on pari-passu basis. The matter is currently sub-judice.

Since all funds of the Company are subject matter of Trust and Retention Account (TRA) which is controlled by CDR lenders, the question of payment to NCD holder does not arise until and unless CDR lenders decide on the issue as directed by the Hon'ble High Court of Bombay ”.

In view of the above facts and as the matter is presently subjudice, we are unable to offer any comment on default, if any, in payment of dues to the Holders of Non Convertible debentures issued by the Company.

- (x) The Company has given corporate guarantees aggregating to Rs. 581.20 Crores for loans taken by Subsidiary Companies, an associate Company and 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.
- (xi) 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 (xi) of Paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (xii) 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 Bhawe & Co.**
Chartered Accountants
Firm Reg. No. – 114445W

M.V. Bhawe
Partner
Membership No. – 038812
Place: Mumbai
Date: 5th May 2015

For **Yeolekar & Associates**
Chartered Accountants
Firm Reg. No. – 102489W

S. S. Yeolekar
Partner
Membership No. – 036398

Balance Sheet as at March 31, 2015

(₹ in Crores)			
	Note	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2.1	807.30	807.30
Reserves and Surplus	2.2	(780.79)	20.50
		26.51	827.80
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	1,596.78	2,064.89
Other Long term liabilities	2.4	Nil	2.17
Long term provisions	2.5	1.32	1.66
		1,598.10	2,068.72
CURRENT LIABILITIES			
Short-term borrowings	2.6	261.35	246.65
Trade payables	2.7	314.08	141.69
Other current liabilities	2.8	3,799.76	3,391.11
Short-term provisions	2.9	0.62	0.35
		4,375.81	3,779.80
Total		6,000.42	6,676.32
II. ASSETS			
NON-CURRENT ASSETS			
Fixed assets	2.10		
Tangible assets		239.08	368.94
Intangible assets		1.07	12.39
Capital work-in-progress		0.59	22.95
		240.74	404.28
Non-current investments	2.11	3,594.78	3,622.98
Long term loans and advances	2.12	1,109.97	1,475.39
		4,704.75	5,098.37
CURRENT ASSETS			
Current investments	2.13	20.81	45.01
Inventories	2.14	5.63	8.70
Trade receivables	2.15	224.29	466.13
Cash and bank balances	2.16	73.34	162.32
Short-term loans and advances	2.17	413.87	313.63
Other current assets	2.18	316.99	177.88
		1,054.93	1,173.67
Total		6,000.42	6,676.32
Significant Accounting Policies and Notes form an integral part of the financial statements	1 2.1 to 2.43		

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

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

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

Sunil S. Valavalkar
Whole-time Director
Vijay Vij
Director
M.V. Bhawe
Partner
Membership No. 38812
Place : Mumbai
Date : May 05, 2015

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer
Vidyadhar Apte
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2015

(₹ in Crores)

	Note	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Continuing Operations			
Revenue from operations	2.19	1,367.04	1,250.20
Less: Excise Duty		Nil	Nil
		1,367.04	1,250.20
Other Income	2.20	82.18	73.05
Total Revenue		1,449.22	1,323.25
Expenses:			
Cost of Purchases/Services	2.21	1,098.04	889.80
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.22	3.07	(0.89)
Employee benefits expenses	2.23	150.89	133.76
Finance Costs	2.24	465.58	539.37
Depreciation and amortization expense	2.10	124.32	110.35
Other expenses	2.25	112.30	41.14
Total Expenses		1,954.20	1,713.53
Loss before exceptional items and tax		(504.98)	(390.28)
Less : Exceptional Items	2.26	(39.23)	Nil
Loss after exceptional items but before tax		(544.21)	(390.28)
Less : Tax Expenses	2.27	Nil	25.18
Loss after tax expense from continuing operations		(544.21)	(415.46)
Discontinuing operations	2.28		
Loss before tax from discontinuing operations		(257.08)	(54.31)
Less : Tax Expenses of Discontinuing operations		Nil	Nil
Loss after tax expense from discontinuing operations		(257.08)	(54.31)
Loss for the year		(801.29)	(469.77)
Earnings per equity share:			
Equity shares of par value ₹ 10/- each			
Basic		(50.95)	(29.87)
Diluted		(50.95)	(29.87)
Significant Accounting Policies and Notes form an integral part of the financial Statements	1 2.1 to 2.43		

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirotkar
Chairman & Managing Director

For **M/s Godbole Bhawe & Co.** For **M/s Yeolekar & Associates**
Chartered Accountants Chartered Accountants
FRN No.114445W FRN No.102489W

Sunil S. Valavalkar **Vijay Vij**
Whole-time Director Director

M.V. Bhawe
Partner
Membership No. 38812
Place : Mumbai
Date : May 05, 2015

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat **Vidyadhar Apte**
Chief Financial Officer Company Secretary

Cash Flow Statement for the year ended March 31, 2015

	(₹ in Crores)	
Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Net Loss before tax from Continuing Operations	(544.21)	(390.28)
Net Loss before tax from Discontinuing Operations	(257.08)	(54.31)
Net loss before tax	(801.29)	(444.59)
Adjustments for:		
Depreciation – Continuing operations	124.32	110.35
Depreciation – Discontinuing operations	1.90	0.60
Interest and Dividend Income	(25.05)	(13.95)
Bad Debts written off	14.98	25.84
Provision for doubtful Trade Receivables (Net)– Continuing operations	34.78	1.22
Provision for doubtful Trade Receivables (Net)– Discontinuing operations	28.89	
Provision for doubtful Advance (Net)	0.82	Nil
Assets Written off	8.55	Nil
Debit/Credit balances and claims written off (Net)	(2.92)	(15.28)
(Profit)/Loss on sale of fixed assets (Net)	0.04	0.01
(Profit) on sale / redemption of Investments	(7.54)	(20.62)
Unrealised Exchange (Gain)/Loss	1.55	21.85
Provision for Wealth Tax	0.01	0.01
Interest on Borrowings	430.82	479.03
Financial Charges	6.57	19.98
Exceptional Items :		
Provision for Doubtful Receivables – Others (Net)	136.00	0.41
Provision for diminution in investments	45.00	Nil
Remission of Loan Liability (Principal Amount)	(42.49)	Nil
Suppliers Claim – Continuing operations	245.72	Nil
Claims received from Aircel	(345.00)	Nil
Claims of Distribution Franchisee – Discontinuing operations	113.49	Nil
Operating Profit before Working Capital changes	(30.85)	164.86
Adjustments for:		
Inventories	2.00	(2.08)
Trade Receivables	26.47	212.44
Loans and advances	118.83	316.82
Other Current Assets	44.21	(28.30)
Trade payables	61.79	(166.89)
Other liabilities and provisions	(33.09)	(41.92)
Cash generated from Operations	189.36	454.93
Direct taxes received / (paid)	40.98	(2.97)
Cash Flow from Operating Activities	230.34	451.96
Exceptional Items :		
Claim received from Aircel	345.00	Nil
Vendors claims paid	(245.72)	Nil
Net Exceptional Items	99.28	Nil
Net Cash Generated from / (Used in) Operating Activities:	(A) 329.62	451.96
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(21.20)	(32.31)
Proceeds from Sale of Fixed Assets	0.73	0.51
Capital Subsidy received	Nil	7.63
Realisation of Capital Advance	Nil	119.61
Realisation of receivables for Disposal of investment	Nil	49.00
Proceeds from sale of Investments in Mutual Fund	849.19	943.32
Purchase of investments – other than Mutual Fund	Nil	(50.23)
Purchase of Investments – Mutual Fund	(818.45)	(967.73)
Realisation from Sale of investments – Other than Subsidiaries	3.00	Nil

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Interest and Dividend Income	4.04	9.42
Net cash generated from/(used in) investing activities (B)	17.31	79.22
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Borrowings	149.19	Nil
Decrease in Borrowings	(347.97)	(195.45)
Interest paid	(230.55)	(264.60)
Financial Charges	(6.57)	(18.05)
Fixed deposits with banks held as margin money	18.20	(3.58)
Net cash Generated from/(used in) financing activities (C)	(417.70)	(481.68)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(70.77)	49.50
Cash and cash equivalents (Opening)	125.43	75.93
Cash and cash equivalents (Closing)	54.66	125.43

- (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 ₹ 0.59 Cr. (Previous Year ₹ 0.70 Cr.) towards amount payable for unclaimed dividend.
- (iv) Following transactions since not involving cash flows are not considered in preparation of above Statement :
- Increase in paid up Equity Share capital of ₹ Nil (PY ₹ 0.34 Cr.) & in Securities Premium Reserve of ₹ Nil (PY ₹ 0.58 Cr.) which is on account of conversion of Compulsory Convertible Debentures (CCDs) allotted to the lenders under CDR Package.
 - Return of Inventory of ₹ Nil (PY ₹ 291.76 Cr.) resulting in increase in advances to suppliers classified under Long Term Loans and Advances.
 - Increase in non current investment on account of:
 - Restoration of Company's investment of ₹ Nil (PY ₹ 300.32 Cr.) in Equity Shares of GTL Infrastructure Limited which were earlier invoked by IFCL, a lender of the Company's Associate, Chennai Network Infrastructure Limited (CNIL).
 - Investment accepted of ₹ Nil (PY ₹ 200.00 Cr.) in Preference Shares and of ₹ Nil (PY ₹ 150.00 Cr.) in Fully Convertible Debentures of Global Rural Netco Limited from parties against receivables for a) advances paid towards supplies and b) sale of goods.
 - Acceptance of Investment of ₹ Nil (PY ₹ 241.48 Cr.) in Preference Shares of European Projects and Aviation Limited from parties against receivables for a) advances paid towards supplies and b) sale of goods.
 - Increase in borrowing of ₹ 249.16 Cr. (PY Nil) on account of conversion of part of the accrued interest liability relating to NCD.
- (v) Previous year's figures have been regrouped/rearranged/recast wherever necessary to make them comparable with those of current year.

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
 Chairman & Managing Director

For **M/s Godbole Bhawe & Co.** For **M/s Yeolekar & Associates**
 Chartered Accountants Chartered Accountants
 FRN No.114445W FRN No.102489W

Sunil S. Valavalkar **Vijay Vij**
 Whole-time Director Director

M.V. Bhawe
 Partner
 Membership No. 38812
 Place : Mumbai
 Date : May 05, 2015

S.S. Yeolekar
 Partner
 Membership No. 36398

Milind Bapat **Vidyadhar Apte**
 Chief Financial Officer Company Secretary

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, in accordance with the generally accepted accounting principles in India and relevant provisions of the Companies Act, 2013.

2 Use of Estimate:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions 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 year. The difference between the actual results and estimates are recognised in the year in which the results are known / materialized.

3 Revenue recognition:

Revenues are recognised 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 recognised based on work completion of activity or achievement of milestone.
- b. Revenue from sale of products (excluding under Agency arrangements) is recognised upon passing of the 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 upto the end of the accounting year.
- d. Revenue from Services is recognised on performance of Service.
- e. Dividend income is recognised when the right to receive dividend is established.
- f. Income such as annual maintenance contracts, annual subscriptions, Interest excluding interest on delayed payments, Lease Rentals, Facility Management is recognised as per contractually agreed terms on time proportion basis.
- g. Other income is recognised when the right to receive is established.
- h. Delayed payment charges and interest on delayed payments are recognised, 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 upto the date asset is 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 recognised 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 acquisition 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 includes cost of fixed assets that are not ready for their intended use as at the balance sheet date.

5 Depreciation:

- a. Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method over the useful life of the assets and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of following Fixed Assets where the assessed useful life is different than that prescribed in Schedule II.
 - i) In respect of the following assets, the useful economic life as assessed is lower than the useful life for these assets as stated in Schedule II.

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	Test and Repair Equipment	5
5	Vehicles	5

Sr.	Asset	Economic Useful Life (Years)
6	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

- ii) Assets costing individually ₹ 5,000 or less are depreciated fully in the year of purchase.
- b. The leasehold improvements have been depreciated over the lease period.

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 the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting year/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 decline in the value of such investments 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 transactions 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 recognised as exchange difference. The premium on forward contract/s 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 recognised 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:
- Income and expenditure items at the exchange rate prevailing on the date of transaction.
 - Monetary items using exchange rates at the Balance Sheet date.
 - Non-monetary items at the exchange rates prevailing on the date of transaction.

10 Employee Benefits:

- a. Short-term employee benefits are recognised as an expense at the undiscounted amount in the 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 recognised as an expense at the present value of amount payable determined using actuarial valuation techniques in the 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 the 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 recognised 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 recognised 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 recognised 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 recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

13 Financial Derivatives and Hedging Transactions:

In respect of Derivative Contracts, premium paid, provision for losses on restatement and gains / losses on settlement are recognised in the 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 recognised 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 recognised as expense in

the 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 the 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 year.

16 Provision for Doubtful Debts and Loans and Advances:

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

17 Research and Development:

- a. Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss in the year 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

18 Cash and Cash equivalents :

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, cheques in hand and deposits with banks having maturity period less than three months from the date of acquisition.

19 Discontinued operations:

An operation of the Company is considered as discontinued when it meets the following criteria:

A discontinued operation is a component of the Company's business, that can be distinguished operationally and for financially reporting purposes and which represents a separate major line of business or geographical area of operations that company is disposing of substantially in its entirety, such as by selling the component in a single transaction or by demerger or spin-off of ownership of the component to the Company's shareholders or disposing of piecemeal, such as by selling off the component's assets and settling its liabilities individually; or terminating through abandonment.

2. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

2.1 SHARE CAPITAL

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised:		
290,000,000 (290,000,000) Equity Shares of ₹ 10 each.	290.00	290.00
810,000,000 (810,000,000) Preference Shares of ₹ 10 each.	810.00	810.00
	1,100.00	1,100.00
Issued, subscribed and paid up:		
157,296,781 (157,296,781) Equity Shares of ₹ 10 each fully paid-up.	157.30	157.30
650,000,000 (650,000,000) 0.01% Non-participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid-up.	650.00	650.00
Total	807.30	807.30

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, 2015		As at March 31, 2014	
	Nos.	Amount	Nos.	Amount
Number of Equity Shares at the beginning of the year	157,296,781	157.30	156,957,693	156.96
Add: Allotment of Equity Shares of ₹ 10 each fully paid up on account of Conversion of Compulsorily Convertible Debentures (CCDs) issued to Promoter and CDR Lenders under Corporate Debt Restructuring (CDR) package approved to the Company.	Nil	Nil	339,088	0.34
Total Number of Equity Shares at the end of the year	157,296,781	157.30	157,296,781	157.30

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, 2015		As at March 31, 2014	
	Nos.	Amount	Nos.	Amount
Number of Preference Shares at the beginning of the year	650,000,000	650.00	650,000,000	650.00
Total Number of Preference Shares at the end of the year	650,000,000	650.00	650,000,000	650.00

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 number 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 provisions of Companies Act, 2013, read together with Memorandum of Association of the Company.

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 allotted to Chennai Network Infrastructure Limited (CNIL). In terms of the issue, CNIL had right to convert OCPS into equity shares from the expiry of 6 months from the date of allotment till 18 months of the date of allotment. However, CNIL has opted for non-conversion of OCPS into equity shares.

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 may be waived by CNIL.

After the expiry of a period of 6 months from the Allotment Date, the OCPS may at the Option of the Company be redeemed at any time prior to the expiry of 20 years from the date of the allotment, in part or in full, after providing a prior written notice of 30 days to CNIL. As agreed by the OCPS holder, the original term providing Yield to Maturity of 8% by way of redemption premium has been repealed by the Board.

Other than as permitted under applicable laws, CNIL will not have a right to vote at the Company's General Meetings. CNIL has also agreed 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 OCPS holder/s will be entitled to receive in proportion to the number 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 OCPS holder/s shall have such rights as per the provisions of Companies Act, 2013, read together with Memorandum of Association of the Company.

2.1.5 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, 2015	% held as at March 31, 2015	No. of Shares as at March 31, 2014	% held as at March 31, 2014
Global Holding Corporation Private Limited	50,980,559	32.41%	50,980,559	32.41%
Manoj G. Tirodgar	18,599,435	11.82%	18,599,435	11.82%

2.1.6 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, 2015	% held as at March 31, 2015	No. of Shares as at March 31, 2014	% held as at March 31, 2014
Chennai Networks Infrastructure Limited	650,000,000	100%	650,000,000	100%

2.2 RESERVES AND SURPLUS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Capital Reserve		
Opening balance (Refer Note 2.40)	0.00	0.00
Closing Balance (Refer Note 2.40)	0.00	0.00
Capital Redemption Reserve		
Opening balance	8.63	8.63
Closing Balance	8.63	8.63
Securities Premium Reserve		
Opening balance	448.18	447.60
Add: On issue of Equity shares on conversion of CCD	Nil	0.58
Closing Balance	448.18	448.18
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
General Reserve		
Opening balance	510.76	510.76
Closing Balance	510.76	510.76
Balance in Statement of Profit and Loss :		
Surplus /(Deficit) Opening Balance	(1,138.23)	(668.46)
Add /Less : Net profit / (loss) after tax transferred from Statement of Profit and Loss	(801.29)	(469.77)
Surplus/(Deficit) Closing Balance	(1,939.52)	(1,138.23)
Total of Reserves and Surplus	(780.79)	20.50

*In view of Loss incurred, no Debenture Redemption Reserve is created since year ended March 31, 2012.

2.3 LONG TERM BORROWINGS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Secured Loans		
Term Loans:		
From Banks (Refer Note 2.3.1 & 2.3.2)	1,596.78	2,064.89
Total of Long Term Borrowings	1,596.78	2,064.89

2.3.1 Nature of security:

- I) Security created in favor of CDR Lenders:
 - a) A first charge and mortgage on all immovable properties, present and future;
 - b) A first charge by way of hypothecation over all movable assets, present and future;
 - c) A first charge on the Trust and Retention Account and other reserves and any other bank accounts wherever maintained, present & future;
 - d) A first charge, by way of assignment or creation of charge, over:
 - i. all the right, title, interest, benefits, claims and demands, whatsoever, in the Project Documents duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied or supplemented from time to time;
 - ii. all the rights, title, interest, benefits, claims and demands, whatsoever, in the Clearances;
 - iii. all the right title, interest, benefits, claims and demands, whatsoever, in any letter of credit, guarantee, performance bond provided by any party to the Project Documents;
 - iv. all the rights, title, interest, benefits, claims and demands, whatsoever, in Insurance Contracts / proceeds under Insurance Contracts;
- e) Pledge of all shares held in the Company by one of the Promoters of the Company namely Mr. Manoj G. Tirodkar;
- f) Pledge of all investments of the Company, except investment in Global Rural Netco Ltd. (GRNL) which will be pledged on fulfillment of financial covenant agreed with the lenders of GRNL;
- g) 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.; and
- h) Mr. Manoj G. Tirodkar and Global Holding Corporation Private Limited; 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.
- II) Security offered to CDR Lender's pending creation of charge
 - a) The Company's one of the promoters namely GHC along with its step down subsidiaries has to extend corporate guarantee; and
 - b) GHC has to pledge its holding in the Company that is currently pledged by GHC in favor of its lenders, as and when released, either in full or part.
- III) Prior to the restructuring of the 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 above.

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

(₹ in Crores)

Nature of facility and Rate of interest	During the Financial Year Ending					
	Mar 16	Mar 17	Mar 18	Mar 19	Mar 20	Mar 21
WCTL – 11%	369.74	369.74	415.96	231.09	231.09	231.09
FITL – 2%	98.18	117.81	Nil	Nil	Nil	Nil
Total	467.92	487.55	415.96	231.09	231.09	231.09

2.3.2.1 In view of the non-payment of loan installments and interest accrued thereon, CDR lenders have classified facilities provided to the Company as Non – Performing Assets (NPA). Considering the continuation of CDR package, the maturity profile presented above is as per approved CDR package.

2.4 OTHER LONG TERM LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Security Deposits *	Nil	2.17
Total	Nil	2.17

*Include ₹ Nil (₹ 2.16) received from related party.

2.5 LONG TERM PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Employee Benefit		
Leave Encashment	1.32	1.66
Total	1.32	1.66

2.6 SHORT TERM BORROWINGS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Loans repayable on demand :		
From Banks		
– Cash Credit – Secured*	261.35	245.65
Total	261.35	245.65

*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, 2015	As at March 31, 2014
Trade Payables	314.08	141.69
Total	314.08	141.69

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, 2015	As at March 31, 2014
Principal amount remaining unpaid	0.99	2.36
Interest due thereon	2.35	2.03
The amount of interest paid in terms of section 16, along with the amounts of the payment made beyond the appointed day during accounting year	Nil	Nil
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	0.13	Nil

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
The amount of interest accrued and remaining unpaid at the end of accounting year	2.35	2.03
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	0.32	0.30

2.8 OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of Secured Long Term Loan from Bank	467.92	375.57
Current Maturities of Rated Redeemable Unsecured Rupee Non-Convertible Debentures (Refer Note No. 2.8.1)	Nil	460.00
Dues payable to holders of Rated Redeemable Unsecured Rupee Non-Convertible Debentures (Refer Note No. 2.8.1)	Nil	940.00
Due / Payable to holder of Non-Convertible Debentures (Refer Note No. 2.8.1)	1,649.16	Nil
Dues payable to Lenders of External Commercial Borrowing (Refer Note No. 2.8.2)	694.86	899.25
Dues payable to Banks for Secured Long Term Loan (Refer Note No.2.8.3)	419.55	67.19
Interest accrued but not due on borrowings	Nil	6.27

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued and due on borrowings (Refer Note No. 2.8.4)	487.92	527.90
Interest accrued and due on Others	2.35	2.03
Unpaid dividends	0.59	0.71
Capex Creditors	0.28	4.31
Expense Creditors	15.37	30.00
Provision for Expenses	9.22	9.52
Accrued salaries and Employee benefits	0.89	5.14
Withholding and other taxes payable	11.63	14.68
Advance from Customers	13.69	24.33
Security Deposit Received*	2.23	0.66
Unearned Revenue	23.04	21.62
Other Liabilities**	1.06	1.93
Total	3,799.76	3,391.11

* Include ₹ 2.16 Cr. (₹ Nil) received from related party.

**Includes due to employees towards insurance claims received ₹ 1.05 Cr. (₹ 1.90 Cr.).

2.8.1 In the financial statements of the previous financial year, the following was disclosed in relation to the Rated Redeemable Unsecured Rupee Non-Convertible Debentures issued by the Company:

"The holder of Rated Redeemable Unsecured Rupee Non-Convertible Debentures have given their consent to be part of the Corporate Debt Restructuring Scheme. Accordingly, the Company and the holders of Rated Redeemable Unsecured Rupee Non-Convertible Debentures have entered into amendment to the original sanction letter on March 22, 2014 to restructure NCD debt, pending fulfillment of conditions mentioned therein, the effect of the same is not given in the books".

The time period for complying with the various conditions was originally May 31, 2014 and the same was subsequently extended to July 31, 2014.

While the Company had taken steps towards fulfillment of its obligations, including payment of a sum of ₹ 123.80 Cr. in respect of interest, due

to certain inter-creditor issues, and pendency of consent by CDR Lenders, the restructuring could not be implemented within the time prescribed under definitive documentation entered into with the NCD holders.

While the Company was in the process of obtaining consent of the CDR lenders on bilateral restructuring documents, the Company received a notice on October 27, 2014 from the NCD holder exercising its rights for acceleration of the entire outstanding amount and in January 2015 the NCD holders filed winding up petition against the Company before Hon'ble High Court of Bombay seeking urgent / interim reliefs such as desisting from making any further payment to CDR lenders till ECB / NCD interest / principal dues are paid, share the proceeds of TRA account on *pari-passu* with CDR lenders and going forward to create security in favour of NCD holder. The Company has taken appropriate legal steps in these matters to defend / protect its interest. The CDR and ECB lenders of the Company have also intervened. The Bombay High Court has asked CDR lenders position on the NCD holder's treatment on *pari-passu* basis. The matter is currently *sub-judice*.

Since all funds of the Company are subject matter of Trust and Retention Account (TRA) which is controlled by CDR lenders, the question of payment to NCD holder does not arise until and unless CDR lenders decide on the issue as directed by the Hon'ble High Court of Bombay.

The above circumstances have resulted in non payment of dues to the NCD holders, which is beyond the control of the management and thus not in the nature of default.

- 2.8.2 The Company availed an External Commercial Borrowing ("ECB") facility of US\$ 150 Mn. in September 2006. The facility was due for repayment in September 2011. An amount of ₹ 694.86 Cr. (US\$ 111.21 Mn.) is presently owed to the ECB Lenders.

By way of background, it may be noted that on account of the various factors that adversely affected the Telecom and Power industries (and in particular, the Company), the Company was constrained to restructure its debt under the Corporate Debt Restructuring ("CDR") scheme with effect from July 2011. Pursuant to the terms of the said CDR package, the Company and the ECB lenders also agreed to an indicative term sheet for restructuring of ECB facilities. Even though RBI approval for the restructuring was obtained, due to the contrarian

stands taken by different sets of lenders, the inter-creditor agreement could not be executed.

Pending execution of the documentation (which was being deliberated amongst the CDR lenders, the ECB lenders & the NCD holders), some of the ECB lenders filed an Application for Summary Judgment before the High Court of Justice, Queen's Bench Division, Commercial Court, London ("London High Court"). The London High Court, after hearing the parties, by way of its Order dated February 20, 2015 dismissed the ECB lenders' application for summary judgment on their claim of interest post September 19, 2011 and directed the Company to pay outstanding principal amount of US\$ 21,666,667, equivalent to ₹ 135.37 Cr., to the 3 ECB lenders who approached the Court. The Court has also directed payment of GBP 31,500 equivalent to ₹ 0.29 Cr. towards Claimants legal costs by the Company.

- 2.8.3 Dues payable to Banks for Secured Long Term Loan of ₹ 419.55 Cr. represent overdue amount relating to period June 14 to March 15 (Previous year ₹ 67.19 Cr. relating to period January 2014 to March 2014).

- 2.8.4 Interest accrued and due on borrowings comprises of:

- a. Overdue Interest of ₹ 189.28 Cr. relating to the period March 2014 to March 2015 (previous year ₹ 415.50 Cr. relating to the period May 2011 to March 2014) on amounts due to holders of Rated Redeemable Unsecured Rupee Non-convertible Debentures;
- b. Overdue Interest of ₹ 93.75 Cr. relating to the period for December 12, 2011 to March 31, 2015 (previous year ₹ 86.67 Cr. relating to the period December 12, 2011 to March 31, 2014) on External Commercial Borrowings.
- c. Overdue Interest of ₹ 196.54 Cr. relating to the period June 2014 to March 2015 (previous year ₹ 24.78 Cr. relating to the period February 14 to March 14) on Secured Term Loan
- d. Overdue interest of ₹ 5.87 Cr. relating to the period June 2014 to March 2015 (previous year ₹ 0.81 Cr. relating to the period February 14 to March 14) on Secured Funded Interest Term Loan
- e. Overdue interest of ₹ 2.48 Cr. relating to the period September 2014 to March 2015 (previous year ₹ Nil) on Cash Credit facility.

The Company continues to account for the interest obligations on various credit facilities as per the terms of CDR / the amended terms / as per the original terms of sanction as applicable.

2.9 SHORT TERM PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits		
i) Gratuity	0.49	0.02
ii) Leave Encashment	0.13	0.33
Total	0.62	0.35

2.10 FIXED ASSETS (CURRENT YEAR)

(₹ in Crores)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2014	For the period Additions	Sale / Adjustment	As at March 31, 2015	As at April 1, 2014	For the period Additions	Sale / Adjustment	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<u>Tangible Assets</u>										
Land – Freehold	0.23	Nil	Nil	0.23	Nil	Nil	Nil	Nil	0.23	0.23
– Leasehold	3.14	Nil	Nil	3.14	0.04	Nil	Nil	0.04	3.10	3.10
Buildings (Including Leasehold)	90.15	0.79	(0.15)	90.79	12.90	1.64	(0.02)	14.52	76.27	77.25
Plant and Equipments	450.27	6.04	(27.82)	428.49	245.16	75.65	(2.90)	317.91	110.58	205.11
Furniture and Fixtures	19.26	0.47	(0.66)	19.07	14.10	1.20	(0.33)	14.97	4.10	5.16
Office Equipments	13.31	0.45	(0.07)	13.69	9.95	0.85	(0.05)	10.75	2.94	3.36
Computers	17.20	0.62	(0.46)	17.36	16.47	1.12	(0.45)	17.14	0.22	0.73
Networking Assets	314.26	1.62	Nil	315.88	248.89	31.33	Nil	280.22	35.66	65.37
Test and Repair Equipments	29.16	0.18	(0.38)	28.96	20.61	2.94	(0.26)	23.29	5.67	8.55
Vehicles	0.97	0.29	Nil	1.26	0.89	0.06	Nil	0.95	0.31	0.08
Total	937.95	10.46	(29.54)	918.87	569.01	114.79	(4.01)	679.79	239.08	368.94
<u>Intangible Assets</u>										
Networking Software	41.96	0.11	Nil	42.07	37.87	3.13	Nil	41.00	1.07	4.09
Other than Networking Software	72.75	Nil	Nil	72.75	64.45	8.30	Nil	72.75	Nil	8.30
Total	114.71	0.11	Nil	114.82	102.32	11.43	Nil	113.75	1.07	12.39
Capital work-in-progress	22.95	14.48	(36.83)	0.59	Nil	Nil	Nil	Nil	0.59	22.95
Total	1,075.61	25.05	(66.37)	1,034.28	671.33	126.22	(4.01)	793.54	240.74	404.28
Total (Previous Year)	1,050.21	56.99	(31.60)	1,075.61	560.62	110.95	(0.24)	671.33	404.28	489.59

FIXED ASSETS (PREVIOUS YEAR)

(₹ in Crores)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2013	For the period additions	Sale/ Adjustment	As at March 31, 2014	As at April 1, 2013	For the period additions	Sale/ Adjustment	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets										
Land – Freehold	0.23	Nil	Nil	0.23	Nil	Nil	Nil	Nil	0.23	0.23
Leasehold	Nil	3.14	Nil	3.14	Nil	0.04	Nil	0.04	3.10	Nil
Buildings (Including Leasehold)	90.01	0.14	Nil	90.15	11.36	1.54	Nil	12.90	77.25	78.65
Plant and Equipments	438.99	19.57	(8.29)	450.27	168.96	76.35	(0.15)	245.16	205.11	270.03
Furniture and Fixtures	19.01	0.26	(0.01)	19.26	12.55	1.56	(0.01)	14.10	5.16	6.46
Office Equipments	13.14	0.18	(0.01)	13.31	8.92	1.03	Nil	9.95	3.36	4.22
Computers	17.10	0.19	(0.09)	17.20	15.12	1.42	(0.07)	16.47	0.73	1.98
Networking Assets	314.26	Nil	Nil	314.26	234.13	14.76	Nil	248.89	65.37	80.13
Test and Repair Equipments	22.67	6.50	(0.01)	29.16	17.89	2.73	(0.01)	20.61	8.55	4.78
Vehicles	0.97	Nil	Nil	0.97	0.86	0.03	Nil	0.89	0.08	0.11
TOTAL	916.38	29.98	(8.41)	937.95	469.79	99.46	(0.24)	569.01	368.94	446.59
Intangible Assets										
Networking Software	41.72	0.24	Nil	41.96	36.55	1.32	Nil	37.87	4.09	5.17
Other than Networking Software	72.75	Nil	Nil	72.75	54.28	10.17	Nil	64.45	8.30	18.47
TOTAL	114.47	0.24	Nil	114.71	90.83	11.49	Nil	102.32	12.39	23.64
Capital work-in-progress	19.36	26.77	(23.19)	22.95	Nil	Nil	Nil	Nil	22.95	19.36
TOTAL	1,050.21	56.99	(31.60)	1,075.61	560.62	110.95	(0.24)	671.33	404.28	489.59
PREVIOUS YEAR	1,047.81	101.33	(98.91)	1,050.21	406.43	157.24	(3.03)	560.62	489.59	641.38

- Gross block of building includes subscription towards share capital of co-operative societies amounting to ₹ 2,750/- (Previous Year ₹ 2,750/-) and leased buildings amounting to ₹ 90.80 Cr. (Previous Year ₹ 90.06 Cr.).
- Intangible assets includes internally generated software of ₹ 7.27 Cr. (Previous Year ₹ 7.27 Cr.).
- Following amounts are included in "Sale / Adjustment column" in gross block and depreciation relating to Plant and Equipment:
 - Capital Subsidy of ₹ Nil (Previous Year ₹ 7.63 Cr.) and write back of depreciation of ₹ Nil (Previous Year ₹ 1.64 Cr.) thereon.
 - Cost of assets relating to distribution franchisee (DF) activity of ₹ 27.55 Cr. handed over to MSEDCCL on termination of DF agreement during the year and depreciation of ₹ 2.80 Cr. thereon.
- Following amounts are included in "Sale / Adjustment column" in CWIP
 - Cost of assets relating to distribution franchisee (DF) activity of ₹ 20.77 Cr. handed over to MSEDCCL on termination of DF agreement during the year.
 - Assets of ₹ 8.55 Cr. (Previous Year ₹ Nil) written off during the year.
- Consequent to the enactment of the Companies Act, 2013 (the Act) applicable from April 01, 2014, the Company has reassessed the remaining useful life of fixed assets as per Schedule II to the Act. This has resulted in additional charge of depreciation of ₹ 26.54 Cr. for year ended March 31, 2015.
- Depreciation includes ₹ 1.90 Cr. (Previous Year ₹ 0.60 Cr.) for discontinued operations.
- In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the year carried out an exercise of identifying assets that many have been impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the year ended March 31, 2015.

2.11 NON-CURRENT INVESTMENTS

Particulars	Numbers	As at March 31, 2015	As at March 31, 2014
Trade			
Quoted			
Equity Shares of			
Associates			
GTL Infrastructure Ltd. (Face Value of ₹ 10/- each)	345,763,466 (345,763,466)	591.55	591.55
Total of Quoted Investments in Equity Shares – Trade	(A)	591.55	591.55
Un – quoted			
Equity Shares of			
Subsidiaries			
International Global Tele–Systems Ltd. (Face Value of US \$ 1/- each)	2,762,615 (2,762,615)	9.59	9.59
GTL International Ltd (Face Value of US \$ 1/- 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
Associates			
Global Rural Netco Ltd. (Face Value of ₹ 10/- each)	75,000,000 (75,000,000)	75.00	75.00
Less: Diminution in value of Investment (refer note No. 2.11.3)		(45.00)	Nil
		30.00	75.00
Chennai Network Infrastructure Ltd. (Face Value of ₹ 10/- each)	1,700,742,399 (1,700,742,399)	1,637.48	1,637.48
		1,667.48	1,712.48
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)	1,756.30	1801.30
Preference Shares of			
Subsidiaries			
3. 5 % Preference Shares of GTL International Ltd. (Face Value of US\$ 1/- each)	5,000,000 (5,000,000)	31.23	29.96
3. 5 % Preference Shares of International Global Tele–Systems Ltd. (Face Value of US\$ 1/- each)	69,000,000 (69,000,000)	430.97	413.44
		462.20	443.40

Particulars	Numbers	As at March 31, 2015	As at March 31, 2014
Associates			
6% Cumulative Redeemable Preference Shares of Global Rural Netco Ltd. (Face Value of ₹ 100/- each)	20,000,000 (20,000,000)	200.00	200.00
		200.00	200.00
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% 12 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/- each)	13,000,000 (13,000,000)	13.00	13.00
0.02% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/- each)	50,250,000 (50,250,000)	50.25	50.25
0.1% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/- each)	44,246,900 (44,246,900)	241.48	241.48
		434.73	434.73
Total of Un-quoted Investments in Preference Shares – Trade	(C)	1,096.93	1,078.13
Debenture of :			
Associates			
11% Fully Convertible Debenture Series – A Global Rural Netco Ltd. (Face Value of ₹ 100/- each)	15,000,000 (15,000,000)	150.00	150.00
Total of Un-quoted Investments in Debentures – Trade	(D)	150.00	150.00
Total of Un-quoted Investments – Trade	E= (B+C+D)	3,003.23	3,029.43
Total of Investments – Trade	F=(A+E)	3,594.78	3,620.98
Other Investments – Non Trade			
Un – quoted			
Equity Shares of Others			
Brickworks ratings India Pvt Ltd. (Face Value of ₹ 10/- each)	Nil (320,000)	NIL	2.00
Total of Un – quoted Investments in Equity – Others	(G)	NIL	2.00
Total Investments	H = (F + G)	3,594.78	3,622.98

2.11.1 For basis of Valuation Refer Point No. 7 of Note No. 1 "Significant Accounting Policies"

2.11.2 Details of aggregate amount of quoted investments, market value thereof, aggregate amount of unquoted investment and provision for diminution:

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Aggregate amount of quoted investments	591.55	591.55
Market value of quoted investments	67.42	50.14
Aggregate amount of unquoted investments	3,048.23	3,031.43
Provision for diminution of investment	45.00	Nil

2.11.3 The Company holds investment in both quoted / unquoted equity and preference shares. In respect of Company's investment in unquoted shares, the book value of these investments, are ascertained from the latest available audited / unaudited financials of the investee companies and the book values of these investments (other than subsidiaries) is much lower than carrying cost of such investments. Similarly, the market value of Company's quoted investment is much below the carrying cost of such investment. The Company has made provision of ₹ 45 Cr. for diminution in value of investment in Equity Shares Global Rural Netco Ltd. As regards other investments, in the opinion of the Management, having regard to the long-term nature of these investments and future business plans of the investee companies and other vested contractual rights available to the Company in respect of certain specified investments, the diminution in the value of investments does not require provision as such diminution is not other than temporary.

2.12 LONG TERM LOANS AND ADVANCES (Unsecured and considered good, unless otherwise stated)

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Advances to Suppliers (Refer Note No. 2.12.1)	767.04	987.75
Less : Provision for doubtful advances to suppliers	(136.00)	Nil

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Advance to Suppliers (Net of provision)	631.04	987.75
Advances to subsidiaries	277.69	267.02
Less : Provision for advances to subsidiaries	(7.23)	(7.23)
Advances to subsidiaries (Net of provision)	270.46	259.79
Capital advances	0.08	0.44
Other advances	192.79	217.79
Security deposits	7.66	7.66
Advance Income Tax & Tax deducted at source (Net of provision)	7.94	1.96
Total	1,109.97	1,475.39

2.12.1 The Company had paid advances for procurement of material to execute large telecom projects such as BSNL Mega Tender, Aircel, Expansion 2G Network and other telecom projects. In view of discontinuation of these projects, the corresponding purchases have not taken place and hence the advances paid for supplies for these materials are not issued. The Company is negotiating with suppliers for recovery of these advances and considering the status of negotiations, as a prudent accounting practice, has made provision of ₹ 136.00 Cr. (Previous Year ₹ Nil) towards these advances which is considered adequate by the Management. The amount provided has been considered as exceptional items.

2.12.2 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

Investments made are given under the respective heads. No Loans have been given except loan to employee.

Details of Corporate Guarantees given by the Company in respect of loans taken by the subsidiaries and Other Body Corporate.

(₹ in Crores)

Sr. No.	Name of the Company	As at March 31, 2015	As at March 31, 2014
1	Subsidiaries	166.82	169.79
2	Other Body Corporate	425.00	425.00

2.13 CURRENT INVESTMENTS

(₹ in Crores)

Particulars	Number of units	As at March 31, 2015	As at March 31, 2014
Un-quoted			
Mutual Funds of :			
ICICI Prudential Liquid Plan – Direct Growth	Nil (882,684)	Nil	16.60
LIC Nomura Liquid Fund – Growth Plan	Nil (123,777)	Nil	28.41
J P Morgan India Liquid Fund – Growth Plan	8,995,603 (Nil)	15.73	Nil
DSP BlackRock Liquidity Fund – Growth Plan	26,354 (Nil)	5.08	Nil
Total		20.81	45.01

2.13.1 For basis of Valuation Refer Point No. 7 of Note No. 1 “Significant Accounting Policies.”

2.13.2 Details of aggregate amount of quoted investment, market value thereof and aggregate amount of unquoted investment:

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Aggregate amount of quoted investments	Nil	Nil
Market Value of quoted investments	Nil	Nil
Aggregate amount of unquoted investments	20.81	45.01

2.14 INVENTORIES

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Stock-in-trade held for trading	2.33	0.38
Stores and spares	Nil	0.77
Consumables	3.30	7.55
Total	5.63	8.70

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

2.15 TRADE RECEIVABLES (Unsecured)

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade receivables outstanding for a period exceeding six months (From the due date of the payment)		
Considered good	193.14	253.70
Considered doubtful	76.49	13.66
Less: Allowance for doubtful trade receivables	(76.49)	(13.66)
Subtotal	193.14	253.70
Other trade receivables		
Considered good	31.15	212.43
Total	224.29	466.13

2.15.1 The Company has sought the balance confirmations from the customers and has received such confirmations from some customers. In respect of remaining customers, balances are subject to confirmation and 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, 2015	As at March 31, 2014
1) Cash & cash equivalents		
a) Balance with banks	54.00	124.61
b) Cash on hand	0.07	0.11
c) Cheques in hand (Since realised)	Nil	0.01
d) Balance with banks on unpaid dividend account*	0.59	0.70
Sub-Total	54.66	125.43
2) Other bank balances		
Balances with bank held as margin money**	18.68	36.89
Total	73.34	162.32

* These balances are available for use only towards settlement of corresponding unpaid dividend liabilities

**Includes ₹ 0.29 Cr. (₹ 0.95 Cr.) having maturity after 12 months.

2.17 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Deposits	2.52	5.90
Less: Provision for doubtful deposits	(2.52)	(0.44)
Deposits (Net of provision)	Nil	5.46
Income Tax refund receivable	0.34	42.27
Prepaid expenses	1.65	4.93
Input tax recoverable	11.35	19.88
Advances to suppliers	246.08	206.20
Less: Provision for doubtful advances to suppliers	(0.46)	(0.05)
Advances to suppliers (Net of provision)	245.62	206.15
Interest receivable*	42.50	26.54
Loans and advances to employees	1.23	0.98
Less: Provision for doubtful loans and advances to employees	(0.79)	(0.74)
Loans & advances to employees (Net of provision)	0.44	0.23
Others **	111.97	8.17
Total	413.87	313.63

* Includes ₹ 22.42 Cr. (Previous Year ₹ 5.92 Cr.) receivable from related party.

** Includes amount of ₹ 108.40 Cr. receivable from European Projects and Aviation Ltd. (EPAL) which was required to be paid during the year to Bankers of EPAL under Sponsor agreement / performance guarantee in connection with credit facilities provided to EPAL.

2.18 OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Unbilled Revenue	52.63	164.50
Receivable towards reimbursable cost / expenses	10.94	11.94

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Less: Provision for receivable towards reimbursable cost / expenses	(1.17)	(0.32)
Receivable towards reimbursable cost / expenses (Net of provision)	9.77	11.62
Claims receivables – DF (refer note 2.18.1)	254.59	Nil
Others	Nil	1.76
Total	316.99	177.88

2.18.1 During the year the Distribution Franchisee (DF) agreement between the Company and MSEDCL got terminated. The reconciliation and settlement of several claims of the Company and MSEDCL are under process. The assets relating to DF activity comprising of Plant and Equipments, trade receivables, inventory and unbilled amount to consumers on the date of termination of Distribution Franchisee agreement will be adjusted against the amount due to MSEDCL. Pending reconciliation of the claims and consequent adjustment thereof, these amounts are considered as "Claim Receivable – DF".

2.19 REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Sale of products :		
Telecom products	140.34	37.59
Power management	Nil	10.71
Sale of services :		
Telecom services	136.94	105.95
Power management	Nil	20.55
Revenue from turnkey projects :		
Telecom projects	12.66	52.80
Revenue from energy management business	1,077.06	1,022.60
Other operating revenues	0.04	Nil
Total	1,367.04	1,250.20

2.20 OTHER INCOME

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Interest Income :		
from Bank Deposits	2.95	2.80
from Others	22.10	11.15
Dividend on non-trade investments	Nil	0.01
Profit on sale of current investments (Net)	7.54	20.60
Profit on sale of fixed assets (Net)	0.58	Nil
Gain on foreign currency transactions (Net)	26.62	18.79
Lease and rent income	2.75	2.65
Other non-operating income *	19.64	17.05
Total	82.18	73.05

* Other non-operating income includes liabilities no longer payable written back of ₹ 17.41 Cr. (Previous Year ₹ 15.78 Cr.).

2.21 COST OF PURCHASES / SERVICES

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Purchase of stock in trade :		
Telecom products	132.55	31.13
Power management	Nil	5.61
Total of purchase of stock in trade	132.55	36.74
Purchase of material (Other than for trade) and services :		
Electricity, Diesel cost for energy management	891.43	769.06
Turnkey projects	39.03	55.69
Sub-contractor charges	31.55	24.28
Vehicle hire charges – projects	3.48	4.03

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Total of purchase of material (Other than for trade) and services	965.49	853.06
Total	1,098.04	889.80

2.22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Inventories (at close)		
Stock in trade	2.33	0.38
Spares and consumables	3.30	8.32
	5.63	8.70
Inventories (at commencement)		
Work-in-progress	Nil	17.46
Stock in trade	0.38	272.02
Spares and consumables	8.32	8.91
	8.70	298.39
Less :		
Material return and provision	Nil	288.46
Provision against spares and consumables	Nil	0.34
	Nil	288.80
Total	3.07	(0.89)

2.23 EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Salaries	65.07	54.90
Contribution to Provident and other funds	5.49	3.74
Staff welfare expenses	3.01	3.22
Outsourced manpower cost	77.32	71.90
Total	150.89	133.76

2.23.1 Salaries and allowances include remuneration to whole time director, appointed during the year, of ₹ 0.04 Cr. which is subject to the approval of Central Government.

2.23.2 Disclosure of Employee Benefits as defined in Accounting Standard 15 "Employee Benefit":

a) Defined Contribution Plan

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Employer's Contribution to Provident fund	2.28	2.75
Employer's Contribution to Pension fund	0.70	0.61
Total	2.98	3.36

b) Defined Benefit Plan

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by a Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligations 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 recognised 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)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation at beginning of the period (A)	6.52	6.64	1.99	1.93
Current / past service cost (B)	0.75	0.75	0.36	0.35
Current interest cost (C)	0.61	0.54	0.19	0.16
Actuarial (gain) / loss (D)	1.14	(0.58)	0.09	0.28
Less : Benefits paid (E)	3.33	0.83	1.18	0.73
Defined Benefit Obligation at end of the period (A+B+C+D-E)	5.69	6.52	1.45	1.99

ii) Reconciliation of opening and closing balances of fair value of the Plan Assets

(₹ in Crores)

Particulars	Gratuity (Funded)	
	As at March 31, 2015	As at March 31, 2014
Fair Value of Plan Asset at beginning of period (A)	6.51	3.96
Expected Return on Plan Assets (B)	0.61	0.35
Actuarial gain / (loss) (C)	(0.07)	0.07
Contributions (D)	1.50	2.96
Less : Benefits paid (E)	3.33	0.83
Less: Transfer Adjustment (Net) (F)	0.02	0.00
Fair Value of Plan Asset at the end of period (A+B+C+D-E-F)	5.20	6.51

iii) Reconciliation of present value of obligations and fair value of Plan Assets

(₹ in Crores)

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Fair Value of Plan Asset at the end of year	5.20	6.51	Nil	Nil
Present value of Defined Benefit Obligation at end of the Year	5.69	6.52	1.45	1.99
Liability / (Asset) recognised in the Balance Sheet	0.49	0.01	1.45	1.99

iv) Expense recognised during the year

(₹ in Crores)

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	For the year ended on March 31, 2015	For the year ended on March 31, 2014	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Current Service Cost (A)	0.75	0.75	0.36	0.35
Interest Cost* (B)	0.00	0.55	0.19	0.16
Expected Return on Plan Assets (C)	Nil	(0.35)	Nil	Nil
Actuarial (gain)/ loss (D)	1.21	(0.64)	0.09	0.28
Net Cost recognised in Profit and Loss Account (A+B+C+D)	1.96	0.31	0.64	0.79

* Refer Note no. 2.40 for rounding off

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

(₹ in Crores)

Gratuity (Funded)	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligation	5.69	6.53	6.64	6.77	6.23
Plan Assets	5.20	6.51	3.96	2.05	1.60
Surplus / (Deficit)	(0.49)	(0.02)	(2.68)	(4.72)	(4.62)
Experience adjustments on Plan Assets	(0.07)	0.07	0.06	(0.34)	(0.03)
Experience adjustments on Plan Liabilities	1.21	0.10	(0.41)	1.09	(0.10)

vi) Amounts for current and previous four years are as follows

(₹ in Crores)

Compensated Absences (Unfunded)	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligations	1.45	1.99	1.93	2.59	2.62
Plan Assets	Nil	Nil	Nil	Nil	Nil
Surplus / (Deficit)	(1.45)	(1.99)	(1.93)	(2.59)	(2.62)
Experience adjustment on Plan Assets (Gain) / Loss	Nil	Nil	Nil	Nil	Nil
Experience adjustment on Plan Liabilities (Gain) / Loss	0.06	0.47	(0.01)	1.14	(2.89)

vii) Assumptions used to determine defined benefit obligation

(₹ in Crores)

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Discount Rate (p.a.)	9.31%	9.31%	9.31%	9.31%
Estimated rate of return on Plan Assets (p.a.)	9.31%	9.31%	Nil	Nil
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.

2.24 FINANCE COSTS

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Interest on borrowings	468.09	479.03
Less: Waiver of Interest	(37.27)	Nil
Other borrowing costs	6.57	19.72
Exchange difference to the extent considered as an adjustment to borrowing cost	28.19	40.62
Total	465.58	539.37

2.25 OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Consumption of Stores and Spares (Refer Note No. 2.25.1)	0.01	Nil
Communication Expenses	1.71	1.20
Advertisement Expenses	3.58	0.03
Business Promotion Expenses	0.96	0.67
Freight Charges	0.00	0.01
Rates and Taxes (including Wealth tax)	2.80	0.61
Rent	4.67	3.66

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Electricity Charges	2.40	1.79
Insurance	0.59	0.87
Legal and Professional Fees	7.37	7.31
Travelling and Conveyance Expenses	5.50	4.86
Director's Sitting Fees	0.04	0.04
Auditor's Remuneration (Refer note no. 2.25.2)	0.42	0.41
Repairs and Maintenance – Buildings	0.07	0.03
Repairs and Maintenance – Plant and Machinery	0.01	0.00
Repairs and Maintenance – Others	3.22	1.56
Bad Debts Written off	14.98	25.84
Provision Written back	(8.53)	(3.31)
Provision for Doubtful Trade Receivables	43.31	4.99
Provision for Doubtful Receivables – Others (Net)	0.82	Nil
Loss on sale of Fixed Assets (Net)	Nil	0.01
Other Expenses (Net)	28.37	(9.44)
Total	112.30	41.14

2.25.1 Details of Consumption of Stores and Spares

Particulars	For the year ended on March 31, 2015		For the year ended on March 31, 2014	
	₹ in Crores	%	₹ in Crores	%
Indigenous Goods	0.01	100%	Nil	Nil
Imported Goods	Nil	Nil	Nil	Nil

2.25.2 Auditor's Remuneration :

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Statutory Audit Fees	0.30	0.30
Tax Audit Fees	0.06	0.06
Vat Audit Fees	0.03	0.03
Other Matters	0.01	0.01
Out Of Pocket Expenses	0.02	0.01
Total	0.42	0.41

The above amounts are excluding Service Tax.

2.26 EXCEPTIONAL ITEMS

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Claim received from Aircel	345.00	
Less: Vendor Claims paid	<u>(245.72)</u>	
Net Claim	99.28	Nil
Remission of principal liability of ECB	42.49	Nil
Provision for :		
Doubtful advances to suppliers	(136.00)	
Diminution in value of investments	<u>(45.00)</u>	
Total	(39.23)	Nil

- The Company was in negotiation with its customer, Aircel group of companies, for settlement of the disputes arising from cancellation / termination of certain commitments resulting in loss of business expansion opportunities for the Company and also its vendors. As a part of the settlement, the Company received an amount of ₹ 345.00 Cr. from Aircel group of companies which *inter-alia* includes the payment for settlement towards the vendors various claims of ₹ 245.72 Cr. The net amount of ₹ 99.28 Cr. is considered as Exceptional Item.
- The Company has settled part of its ECB liability during the year. The remission of liability against the said settlement of ₹ 42.49 Cr. is considered as Exceptional Item.
- The Company's associate Chennai Network Infrastructure Limited acquired tower portfolio of Aircel in the year 2010 with the commitment from Aircel to rollout 20,000 additional telecom sites. In turn, the Company was expecting revenue worth ₹ 17,100 Cr. Unfortunately, subsequently, Aircel cancelled / terminated its plan to expand 20,000 towers in July 2013. Consequently, the Company suffered huge losses due to loss of business opportunities and which also resulted in pile-up of inventory and suppliers advances. The Company is negotiating with suppliers for recovery of advances given and as prudent accounting practice has provided ₹ 136.00 Cr. doubtful of recovery and the said provision is included in Exceptional Item.
- During the year, an assessment of carrying values of long term investments was carried out and amount of ₹ 45.00 Cr. has been provided for towards its diminution and the same is considered as an Exceptional Item.

2.27 TAX EXPENSE

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Current Income Tax	Nil	Nil
Short Provision for Income tax for earlier years (Net) (refer note no.2.27.1)	Nil	25.18
Deferred taxes (refer note no.2.29)	Nil	Nil
Total	Nil	25.18

2.27.1 Provision of Income tax includes tax liability of ₹ Nil (₹ 25.57 Cr.) towards tax liability determined for Assessment Years 2005–06 to 2012–13 upon conclusion of proceedings before Appropriate Statutory Authority.

2.28 DISCONTINUED OPERATIONS:

During the year, the DF agreement between the Company and MSSEDCL got terminated. The reconciliation and settlement of several claims of the Company and MSSEDCL are under process and appropriate effect in respect of the same will be given in financials on conclusion of the said process.

Pending reconciliation / settlement, as stated above, following are the disclosures as required by Accounting Standard (AS) 24 – Discontinued Operations

(₹ in Crores)

Particulars	For the year ended on March 31, 2015			For the year ended on March 31, 2014		
	Continuing Operations	Discontinued operations	Total	Continuing Operations	Discontinued operations	Total
Revenue from operations	1,367.04	702.37	2,069.41	1,250.20	1,014.91	2,265.11
Less: Excise Duty	Nil	Nil	Nil	Nil	Nil	Nil
	1,367.04	702.37	2,069.41	1,250.20	1,014.91	2,265.11
Other Income	82.18	0.33	82.51	73.05	0.08	73.13
Total Revenue	1,449.22	702.70	2,151.92	1,323.25	1,014.99	2,338.24
Expenses:						
Cost of Purchases / Services	1,098.04	774.69	1,872.73	889.80	1,002.08	1,891.88
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	3.07	Nil	3.07	(0.89)	Nil	(0.89)
Employee benefits expenses	150.89	21.66	172.55	133.76	24.57	158.33
Finance Costs	465.58	2.66	468.24	539.37	0.26	539.63
Depreciation and amortization expense	124.32	1.90	126.22	110.35	0.60	110.95
Other expenses	112.30	45.38	157.68	41.14	41.79	82.93
Total Expenses	1,954.20	846.29	2,800.49	1,713.53	1,069.30	2,782.83
Profit / (Loss) before exceptional and extraordinary items and tax	(504.98)	(143.59)	(648.57)	(390.28)	(54.31)	(444.59)
Exceptional Items	(39.23)	(113.49)	(152.72)	Nil	Nil	Nil
Profit / (Loss) before tax	(544.21)	(257.08)	(801.29)	(390.28)	(54.31)	(444.59)
Tax expense:						
Current tax	Nil	Nil	Nil	25.18	Nil	25.18
Short Provision for Income Tax for earlier years	Nil	Nil	Nil	Nil	Nil	Nil
Profit / (Loss) from the year after Tax	(544.21)	(257.08)	(801.29)	(415.46)	(54.31)	(469.77)

As at March 31, 2015, the carrying amount of assets and liabilities pertaining to discontinued operations is ₹ 254.59 Cr. (Previous year ₹ 210.06 Cr.) and ₹ 213.03 Cr. (Previous year ₹ 37.34 Cr.) respectively.

The net cash flows attributable to the discontinued operations are stated below :

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Operating Activity	(107.32)	(149.79)
Investing Activity	(15.52)	(17.72)

2.29 DEFERRED TAXES ASSETS (NET) – COMPOSITION

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Relating to		
a) Fixed Assets	(5.03)	31.87
b) Expenses where deduction is available on payment basis	(101.37)	(72.46)
c) Unabsorbed Depreciation	(132.81)	(118.22)
Total Net	(239.21)	(158.81)

2.29.1 The Company has a Deferred Tax Asset of ₹ 239.21 Cr. as on March 31, 2015 (₹ 158.81 Cr. as on March 31, 2014). 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.

2.30 CONTINGENT LIABILITIES & COMMITMENTS:

2.30.1 Contingent Liabilities

(₹ in Crores)

Sr. No	Particulars	As at March 31, 2015	As at March 31, 2014
i	Claims against the Company not acknowledged as debts*	321.43	231.56
ii	Put option by IFCL on optionally convertible loan of GRNL (including interest accrued thereon of ₹ 37.54)**	137.54	Nil
iii	Guarantees given by Banks on behalf of the Company	64.61	211.86
iv	Performance Guarantees issued to banks on behalf of Subsidiaries / Associates and Affiliates	5.00	5.00
v	Corporate Guarantees given by the Company for loans taken by subsidiaries / others	581.20	594.79
vi	Disputed Sales tax liabilities for which appeals are pending (Amount deposited ₹ 0.91 Cr. (₹ 0.57 Cr.))	11.31	10.28
vii	Dividend on 0.01% Non-Participative Optionally Convertible Cumulative Preference Shares	0.16	0.10
Future cash outflows in respect of the above matters are determinable only on receipt of judgments or decisions pending at various forum.			

*As on March 31, 2015, there were 52 cases against the Company, pending in various Courts and other Dispute Redressal Forums.

In 12 out of 52 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 12 cases.

Out of the balance 40 cases, 29 cases are from its earlier power business and 10 cases are from telecom related businesses which 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, highly exaggerated and without any basis and therefore the Company is resisting and defending these claims. The contingent liability of these 40 cases is ₹ 2.34 Cr.

NCD holder has filed winding up petition against the Company before Hon'ble High Court of Bombay on January 22, 2015 *inter-alia* claiming recovery of dues of ₹ 1,858.46 Cr. Contingent Liability of ₹ 98.09 Cr. represents difference between amount claimed by NCD holders and amount accounted by the Company in the books as on September 30, 2014 of ₹ 1,760.37 Cr. based on the amended terms on March 22, 2014. Presently the matter is *sub-judice*.

**Global Rural Netco Limited (GRNL) issued Fully convertible Debentures of ₹ 250 Cr. to IFCL Limited. Subsequently, in terms of the settlement between GRNL and IFCL on August 03, 2012, GRNL's loan of ₹ 250.00 Cr. reduced to Optionally Convertible Loan (OCL) of ₹ 100.00 Cr. In case the loan is not repaid / prepaid by GRNL or converted into equity shares of GRNL on or before March 31, 2015, IFCL has Put option and the Company has to purchase the said loan from IFCL so as to provide IFCL a YTM of 13.50% on loan amount from April 1, 2012 to March 31, 2015.

In April 2015, IFCL exercised its put option for OCL of ₹ 100 Cr. on the Company. Since GRNL has requested IFCL to defer the repayment date by further two years, which is under consideration of IFCL, the contingent liability shown against Put Option of IFCL comprises of unpaid principal OCL amount of ₹ 100 Cr. and unpaid interest thereon of ₹ 37.54 Cr. as at March 31, 2015 payable by GRNL.

2.30.2 Commitments

2.30.2.1 Estimated amount of contracts remaining to be executed

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
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.)	1.24	7.86

2.30.2.2 Other Commitments

a) GTL Infrastructure Ltd (GIL) is an associate of the Company. The Company's equity shareholding in GIL, as at Balance Sheet date is 14.87% (14.99%). As a promoter of GIL, the Company has furnished following undertakings in respect of credit facilities of ₹ 2,004.45 Cr. (₹ 2,004.45 Cr.) 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 Private Limited (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 equity shareholding in European Projects and Aviation Limited (EPAL) [Formerly known as Global Projects and Aviation Private Limited (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 Private Limited (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 into 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) Chennai Network Infrastructure Limited (CNIL) is an associate of the Company. The Company's equity shareholding as at March 31, 2015 is 25.79% (25.79%). As sponsors to CNIL, the Company along with its associates Global Holding Corporation Private Limited and GTL Infrastructure Limited 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.

d) The CDR lenders of the Company have right to re-compensate in respect of relief extended and sacrifices made by them of ₹ 555.87 Cr. as per Master Restructuring Agreement (MRA). Such right is exercisable by CDR lenders based on criteria's/ conditions as detailed in MRA.

2.31 SEGMENT REPORTING

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

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 Limited.
- c. GTL Overseas Middle East FZ LLC.
- d. GTL Overseas Middle East JLT
- e. GTL International Nigeria Limited.
- f. Pt. GTL Indonesia Limited.
- g. GTL Europe Limited.
- h. GTL Network Services Malaysia Sdh 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 (Private) Limited.
- n. GTL International Bangladesh Pvt. Ltd.
- o. GTL Kenya Limited.
- p. GTL Tanzania Limited.
- q. GTL Canada Inc.
- r. GTL Nepal Limited.
- s. IGTL Myanmar Limited

III Associates

- a. GTL Infrastructure Limited
- b. Global Rural Netco Pvt. Ltd.
- c. Chennai Network Infrastructure Ltd.
- d. Global Holding Corporation Private Limited

IV Key Managerial Personnel

- a. Mr. Manoj Tirodkar, Chairman and Managing Director
- b. Mr. Arun Prabhukhanolkar – WTD (upto December 16, 2014)
- c. Mr. Sunil S. Valavalkar – WTD (w.e.f December 16, 2014)
- d. Mr. Vidyadhar Apte, Company Secretary
- e. Mr. Milind Bapat, Chief Financial Officer

B. TRANSACTION WITH RELATED PARTY

(₹ in Crores)

		Transaction during the year April 2014 to March 2015										Closing Balance as on 31-Mar-2015						
Sr. no.	Party Name	Sales & Services	Reimbursement Expenses from	Reimbursement Expenses to	Interest Income	Rent received	Purchase of Fixed Assets	Sale of Fixed Assets	Salaries and Allowances	Contribution to Provident and Other Funds	Deposit Received	Receivable towards Bank claim paid by the Company	Receivables	Reimbursable cost / expense	Advance received / Accrued Receivables	Provision towards EB	Payables (incl. Advance received)	
1	Subsidiaries																	
1a	International Global Tele Systems Limited	NIL (NIL)	NIL (0.04)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	213.40 (204.74)	NIL (NIL)	4.63 (4.44)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
1b	GTL International Ltd.	NIL (NIL)	0.74 (0.04)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	53.94 (52.05)	15.07 (14.46)	0.05 (0.05)	NIL (NIL)	NIL (NIL)	NIL (NIL)	4.79 (4.60)
1c	Ada Cellworks Wireless Engineering Pvt. Ltd.	NIL (NIL)	NIL (NIL)	NIL (0.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.16 (NIL)
	TOTAL	NIL	0.74	NIL	NIL	NIL	NIL	NIL	N/A	N/A	NIL	267.34	15.07	4.68	NIL	NIL	NIL	4.95
2	Fellow subsidiaries (Subsidiaries of GTL International Ltd.)																	
2a	GTL (Singapore) Pte Ltd	NIL (NIL)	NIL (0.02)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	0.00 (0.00)	0.02 (0.02)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2b	GTL Saudi Arabia Company Limited	NIL (NIL)	0.03 (0.04)	NIL (0.01)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	2.02 (1.94)	0.07 (0.06)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2c	GTL Overseas M.E.FZ LLC	NIL (0.24)	NIL (0.21)	NIL (0.02)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	NIL (0.29)	0.31 (0.31)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.08 (0.08)
2d	GTL Overseas Middle East J.T.	NIL (NIL)	0.10 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.36 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2e	GTL International Nigeria Limited	NIL (NIL)	NIL (0.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	NIL (0.05)	0.01 (0.01)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2f	Pt. GTL Indonesia Ltd.	NIL (NIL)	NIL (0.01)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	NIL (0.08)	0.04 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2g	GTL Europe Limited	NIL (NIL)	NIL (0.03)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	NIL (0.02)	0.04 (0.04)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2h	GTL International Lanka (Private) Limited	NIL (NIL)	NIL (0.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	NIL (0.00)	0.19 (0.19)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2i	GTL Network Services Malaysia SDN BHD	NIL (NIL)	NIL (0.01)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	NIL (0.04)	0.32 (0.32)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2j	GTL Kenya Limited	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	NIL (1.25)	0.27 (0.27)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2k	GTL USA Inc.	0.02 (0.02)	0.49 (0.18)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	NIL (NIL)	1.54 (1.99)	0.21 (0.24)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.54 (0.54)
2l	GTL International Bangladesh Pvt. Ltd.	NIL (NIL)	0.00 (0.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	N/A (N/A)	N/A (N/A)	NIL (NIL)	3.12 (3.00)	NIL (0.19)	NIL (0.17)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

B. TRANSACTION WITH RELATED PARTY

(₹ in Crores)

Sr. no.	Party Name	Transaction during the year April 2014 to March 2015								Closing Balance as on 31-Mar-2015							
		Sales & Services	Reimbursement Expenses from	Reimbursement Expenses to	Interest Income	Rent received	Purchase of Fixed Assets	Sale of Fixed Assets	Salaries and Allowances	Contribution to Provident and Other Funds	Deposit Received	Receivable towards Bank claim paid by the Company	Receivables	Receivables towards Reimbursable cost / expense	Advance received / Accrued Receivables	Provision towards EB	Payables (Incl. Advance received)
2m	GTL Nepal Ltd.	0.87 (3.33)	NIL (0.23)	0.00 (0.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NA (NA)	NA (NA)	NIL (NIL)	4.00 (3.28)	0.06 (1.03)	NIL (NIL)	NIL (NIL)	NIL (0.95)	
2n	IGTL Network Services Philippines INC	NIL (NIL)	NIL (0.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NA)	NA (NA)	NA (NA)	NIL (NIL)	0.00 (0.00)	0.03 (0.03)	NIL (NIL)	NIL (NIL)	NIL (NIL)	
2o	GTL Tanzania Limited	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NA (NA)	NA (NA)	NA (NA)	NIL (NIL)	NIL (0.23)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	
	TOTAL	0.89	0.62	0.00	NIL	NIL	NIL	NA	NA	NA	NIL	3.12	7.56	0.80	NIL	NIL	NIL
3	Associates																
3a	GTL Infrastructure Limited	354.69 (327.71)	0.72 (25.28)	152.64 (138.37)	NIL (NIL)	2.54 (2.39)	NIL (NIL)	0.14 (0.08)	NA (NA)	NA (NA)	2.16 (2.16)	NIL (NIL)	7.63 (27.91)	1.07 (0.43)	28.13 (41.42)	14.08 (11.10)	0.37 (1.70)
3b	Global Rural Netco Pvt. Ltd.	0.16 (0.98)	0.32 (0.33)	1.62 (0.55)	16.50 (5.92)	0.19 (0.18)	NIL (6.50)	NIL (NIL)	NA (NA)	NA (NA)	NIL (NIL)	NIL (NIL)	5.13 (4.99)	2.11 (7.78)	22.42 (5.92)	NIL (NIL)	NIL (NIL)
3c	Chennai Network Infrastructure Ltd.	412.57 (287.48)	0.71 (47.29)	261.09 (236.85)	NIL (NIL)	0.01 (0.01)	NIL (NIL)	0.21 (0.34)	NA (NA)	NA (NA)	NIL (NIL)	NIL (NIL)	16.96 (15.42)	0.01 (0.03)	21.65 (53.50)	27.40 (20.10)	0.52 (2.09)
3d	Global Holding Corporation Private Limited	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	2.16 (NIL)	NIL (NIL)	29.72 (NIL)	3.19 (0.25)	72.20 (NIL)	41.48 (NIL)	0.89 (NIL)
4	Key Managerial Personnel																
4a	Mr. Manoj Tirotkar	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.34 (0.27)	0.02 (0.01)		NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4b	Mr. Arun Prabhukhanolkar	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.37 (0.77)	0.02 (0.01)		NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4c	Mr. Sunil S. Valavalkar	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.04 (NA)	0.00 (NA)		NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4d	Mr. Vijayadhar Apte	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.95 (0.68)	0.02 (0.02)		NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4e	Mr. Milind Bapat	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	1.15 (0.66)	0.02 (0.02)		NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	TOTAL	NIL	NIL	NIL	NIL	NIL	NIL	2.84	0.08		NIL	NIL	NIL	NIL	NIL	NIL	NIL

Claim of ₹ 179 Cr. (PY of ₹ 179 Cr.) of Global Holding Corporation Private Limited an Associate not acknowledged as debt is included in Contingent liability.
Provision for contribution to Gratuity fund and Leave encashment on retirement which are made based on actuarial valuation on an overall Company basis are not included in remuneration details of key managerial personnel

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

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Capital Goods	Nil	0.67
Trading Goods	Nil	0.02
Total	Nil	0.69

2.34 ACTIVITY IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Earnings in Foreign Currency		
i) Sales and services	0.89	1.89
Total	0.89	1.89
Expenditure in Foreign Currency		
i) Interest on borrowings	27.68	35.27
ii) Travelling expenses	0.09	0.09
iii) Subscription and membership fees	0.01	Nil
iv) Repairs and maintenance	0.02	Nil
v) Professional and consultancy charges	1.08	8.28
Total	28.88	43.64

2.35 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 conditions of the agreements. The lease rental recognised in the Statement of Profit and Loss during the year under the heading 'Rent' in 'Other Expenses' is ₹ 5.02 Cr. (₹ 4.17 Cr.). The lease obligations due within next five-years are ₹ 14.52 Cr. (₹ 14.87 Cr.).

2.36 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	
		2015	2014	2015	2014
GTL International Bangladesh Pvt. Ltd.	100% subsidiary of GTL Europe Limited	3.12	3.00	3.16	11.39
GTL International Limited	100% subsidiary of GTL Limited	53.94	52.05	54.48	52.05
International Global Tele-Systems Limited	100% subsidiary of GTL Limited	213.40	204.74	215.93	204.74

Note : Increase in outstanding amount over previous year is on account of exchange variations.

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

2.37 EARNINGS PER SHARE

₹ in Crores (other than No. of Shares & EPS)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
BASIC EARNINGS PER SHARE		
Numerator for basic earnings per share		
Loss after exceptional but before Tax & extra—ordinary items	(801.29)	(444.60)
Add:		
Dividend payable on Cumulative Preference Shares	(0.16)	(0.10)
Tax on Cumulative Preference Dividend payable	(0.03)	Nil
Provision for Income Tax, Deferred Tax & FBT	Nil	(25.18)
Net Loss after Tax but before extra—ordinary items (a)	(801.48)	(469.88)
Net Loss after tax & extra—ordinary items (b)	(801.48)	(469.88)
Denominator for basic earnings per share –		
Weighted average number of shares (c)	157,296,781	157,296,781
Basic and Diluted earnings per share before extra—ordinary items $d = (a/c)$	(50.95)	(29.87)
Basic and Diluted earnings per share after extra—ordinary items	(50.95)	(29.87)

2.38 FINANCIAL AND OTHER DERIVATIVE INSTRUMENTS:

2.38.1 The Company has not entered into any derivative either during the year or in the previous year and there are no outstanding derivative contracts.

2.38.2 Foreign Currency exposures that are not hedged by the derivative instruments and forward contract are as under :

Particulars	As at March 31, 2015 ₹ in Crores	As at March 31, 2015 US\$ Million	As at March 31, 2014 ₹ in Crores	As at March 31, 2014 US\$ Million
Payable				
1 External Commercial Borrowings	694.86	111.21	899.25	150.00
2 Import Trade Payables	1.22	0.19	2.81	0.47
3 Interest payable on ECB Loan	93.75	15.00	86.67	14.46
Total	789.83	126.40	988.73	164.93
Receivable and Advances				
1 Export Trade Receivables	27.06	4.33	28.18	4.70
2 Advances	295.85	49.00	286.18	49.17
Total	322.91	53.33	314.36	53.87
Investments				
1 Preference Shares	462.20	74.00	443.40	74.00
2 Equity Shares	21.55	5.76	21.55	5.76
Total	483.75	79.76	464.96	79.76

2.39 GOING CONCERN

The Company's business activities comprise of two segments viz. "Network Services" and "Power Management".

The Power Management segment has been substantially affected by the losses plagued by Discoms and their

restructure and the reduction in tariffs by various State Governments and also termination of Distribution Franchisee (DF) agreement during the third quarter of FY 2014–15 by the Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of certain contractual issues. The Network services segment continues to be impacted by cancellation of 2G licenses, Aircel group's suspension of ROFR commitments / tenancy commitments, and suspension of BSNL expansion. Thus, in view of overall set-back in Company's business operations, cash losses have been incurred which has resulted in substantial erosion of the Company's net worth. The Company's current liabilities are more than its current assets. This has resulted in over dues to various sets of lenders.

Though the debts of the Company with its banks have been restructured under Corporate Debt Restructure Scheme (CDR) w.e.f July 2011, certain inter-creditors issues have caused delay in restructuring of both ECB and NCD facilities.

The above has resulted in legal proceedings being initiated by some of the ECB lenders and NCD Holder. The CDR and ECB lenders have intervened in the winding up proceedings filed by the NCD Holder in Bombay High Court and currently the same is *sub-judice*.

These events or conditions may cast doubts on the Company's ability to continue as a going concern.

However the management is of the firm view that such events or conditions can be mitigated by the One Time Settlement plan (OTS) for settlement of the outstanding debts of all lenders including CDR, ECB and NCD by sale of its business division/s and assets and investments. The proposal is being considered by the CDR lender forum.

The Management is of view that the Company's above proposal / plans will be considered favourably, upon which the doubt on Company's inability to repay and meet its debt / liabilities would cease to exist

and the Company, which has been in service industry since its inception, would be in a position to continue with the business operations.

On detailed evaluation of the current proposal / plans, it is believed that the Company will realise Assets and discharge Liabilities in normal course of business and continue its operations. Accordingly, the financial statements have been prepared on the basis that the Company is a going concern and no adjustments are required in the carrying value of assets and liabilities.

2.40 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 ₹ in Cr. are as follows:

(₹)

Note	Description	As at March 31, 2015	As at March 31, 2014
2.2	Reserves and Surplus		
	– Capital Reserve	7,725	7,725
2.23.2.b	Interest Cost	13,061	N.A.
2.25	Freight Charges	29,450	N.A.
2.25	Repairs and Maintenance		
	– Plant and Machinery	N.A.	47,829

2.41 As per Accounting Standard (AS) –17 on “Segment Reporting”, segment information has been provided under the Notes to Consolidated Financial Statements.

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

2.43 Figures in brackets relate to the previous year unless otherwise stated.

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirolkar
Chairman & Managing Director

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

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

Sunil S. Valavalkar
Whole-time Director

Vijay Vij
Director

M.V. Bhawe
Partner
Membership No. 38812

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : May 05, 2015

INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS OF GTL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GTL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated financial statements:

- a. Note No 2.8.1 to the Consolidated financial statements which, inter-alia describes the uncertainty related to the outcome of the winding up petition filed against the Holding Company by the holders of Non Convertible Debentures issued by the Holding Company.
- b. Note No 2.31.4.1 to the Consolidated financial statements which, describes the uncertainty related to petition for bankruptcy filed by the Holding Company's stepdown subsidiary, GTL (USA) Inc.

- c. Note No 2.16.1 to the Consolidated financial statements regarding trade receivables of Rs.187.76 Crores due to the Holding Company's wholly owned subsidiary, International Global Tele-systems Ltd ("the Subsidiary") from a customer, who has not honored its commitments on agreed dates. The said receivable is covered by an insurance policy, which is assigned in favour of the bank as security for facility availed by the subsidiary. The insurance company has not settled the claim. The subsidiary has appointed an arbitrator to resolve the issues between itself and customer. The process of arbitration is still under progress. The subsidiary is confident of the recovery of these receivables and hence no provision for the same is made in the financial statements.

- d. Note No 2.35 in the Consolidated financial statement which inter-alia describes that the Group has incurred cash losses, its Net worth has been fully eroded and the Group's current liabilities have exceeded its current assets as at the balance sheet date.

These conditions, along with other matters set forth in Note No 2.35, indicate the existence of a material uncertainty that cast significant doubt about the Group's ability to continue as a going concern. However, the financial statements of the Group have been prepared on a going concern basis for the reasons stated in the said Note.

- e. Note No 2.11.4 in the Consolidated financial statement which states that the book values/market values of certain long term investments as referred to in the said note are lower than their carrying values and non provision for diminution in value of these investments for the reasons stated therein.
- f. Note No 2.11.3 in the Consolidated financial statement regarding non consideration in the consolidated financial statement the share in loss in the Holding Company's associates, GTL Infrastructure Ltd and Chennai Network Infrastructure Limited, for the reasons stated in the said note.
- g. Note No.2.24.1 in the Consolidated financial statements regarding managerial remuneration paid by the Holding Company, which is subject to the approval of the Central Government

Our opinion is not modified in respect of these matters.

Other Matter

- a. As at March 31, 2015, Term Loan and Funded Interest Term Loan liability of Rs. 20.64 Crores is payable by the Holding Company to Standard Chartered Bank, one of the banks participating in Corporate Debt Restructuring scheme approved by CDR Empowered Group. The Holding Company has accounted the above liability as

per the terms of CDR scheme. However, confirmation of the above liability has not been received.

- b. We did not audit the financial statements of One subsidiary, whose financial statements reflect total assets of Rs. 1.97 Crores as at 31st March, 2015, total revenues of ₹NIL and net cash flows amounting to Rs. (0.18) Crores for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

- c. We did not audit the financial statements of one subsidiary and the consolidated financial statement of one subsidiary, whose financial statements reflect total assets of Rs. 1,809.96 Crores as at 31st March, 2015, total revenues of Rs. 427.42 Crores and net cash flows amounting to Rs. 12.71 Crores for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net loss of Rs. 11.81 Crores for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of One associate, whose financial statements have not been audited by us.

The financial statements/Consolidated financial statements of the above Subsidiaries and an associate are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements furnished to us by the management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to non receipt of confirmation as stated in a) above and with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management as stated in b) and c) above.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("CARO 2015"), issued by the Central Government

of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Our reporting under CARO 2015 include one subsidiary company, which is incorporated in India to which the CARO 2015 is applicable and our report in respect of this entity is based solely on the report of the other auditor to the extent considered applicable for reporting under the CARO 2015 in case of the consolidated financial statements.

In respect of an associate company incorporated in India, which has been included in the consolidated financial statements based on unaudited financial statement of such associate provided to us by the management and hence no report under CARO 2015 is available, and accordingly the possible effects of the same on our reporting under CARO 2015 has not been considered.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of management representation and on the basis of legal opinion obtained by the Holding

Company in the context of provisions of section 164(2) of the Act in relation to non payment of dues to the holders of Non Convertible Debentures and on the basis of written representations received from the directors of the Holding Company as on 31 March, 2015, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act. We are unable to comment whether any of the director of the associate company, which is incorporated in India, is disqualified in terms of Section 164 (2) of the Act, as unaudited accounts of the associate were provided to us by the management.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate Refer Note 2.30.1 to the consolidated financial statements.
 - ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India. We have been informed that in case of the Company's associate incorporated in India there were no amounts which were required to be transferred to the Investor Education and Protection Fund. Unpaid Dividend of the Holding Company of Rs. 0.15 Crores pertaining to the years 2000-01 to 2001-02 and 2003-04 to 2006-07 which has not been transferred to the Investor Education and Protection Fund but is held in abeyance on account of pending legal cases is not considered for reporting under this clause.

For **Godbole Bhawe & Co.**
Chartered Accountants
Firm Reg. No. – 114445W

M.V. Bhawe
Partner
Membership No. – 038812
Place: Mumbai
Date: 5th May 2015

For **Yeolekar & Associates**
Chartered Accountants
Firm Reg. No. – 102489W

S. S. Yeolekar
Partner
Membership No. – 036398

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 to the members of GTL Limited on the accounts for the year ended March 31, 2015)

- (i) The Holding Company and subsidiary company incorporated in India have maintained proper records showing full particulars including quantitative details and situation of fixed assets.

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

In case of subsidiary company incorporated in India fixed assets have been physically verified by the management at regular intervals, which in the opinion of the auditor of the said subsidiary is reasonable having regard to its size and nature of its assets. No material discrepancies were noticed on such physical verification.

- (ii) The inventories have been physically verified during the year by the management of the Holding Company. In our opinion, the frequency of such 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 of the Holding Company are reasonable and adequate in relation to its size and 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 Holding Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material, having regard to the size of the operations of the Holding Company.

Since the nature of business of the Subsidiary Company incorporated in India does not require it to have any inventory clause (ii) of Paragraph 3 of the Companies (Auditor's Report) Order, 2015 is not applicable to the Subsidiary Company.

The Holding Company and the Subsidiary Company incorporated in India have not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 189 of the Act. Accordingly clause (iii) of

Paragraph 3 of the Companies (Auditor's Report) Order, 2015 is not applicable.

In our opinion and in the opinion of the auditor of the Subsidiary Company incorporated in India and according to the information and explanations given to us and to the auditor of Subsidiary Company incorporated in India, there is an adequate internal control system commensurate with the size of the Holding Company and the subsidiary company incorporated in India and the nature of their business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit and audit of the auditor of the Subsidiary Company incorporated in India, no continuing failure to correct major weaknesses in internal control system has been observed.

According to the information and explanations given to us and to the auditor of Subsidiary Company incorporated in India, the Holding Company and the Subsidiary Company incorporated India have not accepted any deposits from public therefore, the provisions of clause (v) of Paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable.

We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Companies (Cost Records & Audit) Rules, 2014 prescribed by the Central Government under section 148 (1) (d) of the Act and are of the opinion that prima facie the prescribed cost 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.

As informed to the auditor of the Subsidiary Company incorporated in India, the Central Government has not prescribed maintenance of cost records pursuant to Companies (Cost Records & Audit) Rules, 2014 under section 148 (1) (d) of the Act in respect of nature of business of the said Subsidiary Company.

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 Holding Company, except for payment of Sales Tax, is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State insurance, Income-tax, Wealth-tax, Service Tax, Value Added Tax, Duty of Customs, Duty of Excise, Cess and other applicable statutory dues.

On the basis of examination of the relevant records by the auditor of the Subsidiary Company incorporated in India and according to the information and explanations given to auditor of the Subsidiary Company incorporated in India, the said Subsidiary Company

is regular in depositing undisputed Statutory dues including Provident Fund, Employees' State insurance, Income-tax, Sales Tax, Wealth-tax, Service Tax, Duty of Customs, Duty of Excise and other material statutory dues as applicable with the appropriate authorities.

In the case of Holding Company on the basis of examination of the relevant records and according to the information and explanations given to us, except for Sales Tax dues of Rs. 5.68 Crores, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection fund, Employees' State insurance, Income-tax, Wealth-tax, Value added Tax,

Service Tax, Duty of Customs, Duty of Excise and Cess were outstanding, as at 31st March 2015 for a period of more than six months from the date they became payable.

On the basis of the books of accounts and records of the Holding Company as produced and examined by us, except for disputed Sales tax and Value Added Tax dues as detailed below, there are no dues of Income Tax, Wealth-tax, Service Tax, Duty of customs, Duty of excise and cess which have not been deposited on account of any dispute.

Name of the Statute	Nature of Dues	Amount (Rs. in Crores)	Year to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, Sales Tax Act & VAT Acts of various States	Sales / Vat Tax Dues	6.76	1992 – 1993, 1995 – 1996, 2006–2007, 2008–2009, 2009–2010, 2010–2011, 2014–2015 & Feb 09 to Dec 10	1 st Appellate Authority
		4.97	1995 – 1996, 1997 – 1998, 2004–2005, 2005–2006, 2007–2008, 2008–2009 & 2009–2010	2 nd Appellate Authority
		0.49	2009–2010	Assessing Officer

Out of the above disputed sales tax / value added tax dues, an amount of Rs. 0.91 Crores has been paid by the Holding Company under protest.

On the basis of the books of accounts and records of the Subsidiary Company as produced before and examined by the auditor of the said subsidiary incorporated in India, except for disputed Service tax and Income tax dues as detailed below, there are no dues of Wealth-tax, Sales Tax, Value Added Tax, Duty of customs, Duty of excise and cess which have not been deposited on account of any dispute.

Name of the Statute	Nature of Dues	Amount (Rs. in Crores)	Year to which the amount relates	Forum where dispute is pending
Service Tax	Service Tax Dues	0.13	2008–2009 & 2009–2010	CESTAT
Income Tax Act	Income Tax	0.11	2010–2011	1 st Appellate Authority

In our opinion and according to the information and explanations given to us the amounts required to be transferred by the Holding Company to Investor Education & Protection Fund in accordance with relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time except for unpaid dividend of Rs. 0.15 Crores pertaining to the years 2000–01 to 2001–02 and 2003–04 to 2006–07, which is held in abeyance on account of pending legal cases.

In the opinion of the auditor of the Subsidiary Company incorporated in India, the subsidiary company was not required to transfer any amounts to Investor Education & Protection Fund in accordance with relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder and therefore the question of reporting delay in transferring such amounts does not arise.

- (viii) The accumulated losses of the Holding Company as at the end of the financial year are in excess of 50% of its network. The Holding Company has incurred cash loss during the financial year covered by our audit and also in the immediately preceding financial year.

The accumulated losses of the Subsidiary Company incorporated in India as at the end of the financial year are in excess of 50% of its network. The Subsidiary Company incorporated in India has incurred cash loss during the financial year under audit. No cash loss was incurred by the said subsidiary in the immediately preceding financial year.

- (ix) On the basis of our examination of the records of the Holding Company and according to the information and explanations given to us, the Holding Company has defaulted in repayment of External Commercial Borrowings of Rs. 694.86 Crore.

which were due for payment in September, 2011 and interest of Rs. 93.75 Crores due thereon which relates to the period from December, 2011 to March, 2015.

The Holding Company has defaulted in repayment of Secured term loan of Rs. 419.55 Crores to the banks which relates to the period from June 2014 to March 2015.

The Holding Company has defaulted in payment of Interest of Rs. 196.54 Crores on Secured Term Loan from banks which relates to the period from June 2014 to March 2015, Interest of Rs. 5.87 Crores on Secured Funded Interest Term loan from the banks which relates to the period from June 2014 to March 2015 and Interest of Rs. 2.48 Crores on Cash Credit facility from the banks which relates to the period from September 2014 to March 2015.

As regards dues payable by the Holding Company to the holders of Rated Redeemable Unsecured Rupee Non-convertible Debentures we invite attention to Note No 2.8.1 to the financial statement which inter-alia states that

“due to certain inter-creditor issues, and pendency of consent by CDR Lenders, the restructuring of NCD as was bilaterally agreed between the Company and NCD holders in terms of amendment to the original sanction letter on March 22, 2014 could not be implemented within the time prescribed under definitive documentation entered into with the NCD holders. While the Company was in the process of obtaining consent of the CDR lenders on bilateral restructuring documents, the Company received a notice on October 27, 2014 from the NCD holder exercising its rights for acceleration of the entire outstanding amount and in January 2015 the NCD holders filed winding up petition against the Company before Hon'ble High Court of Bombay seeking certain urgent / interim reliefs. The CDR and ECB lenders of the Company have also intervened in the proceedings initiated by the NCD Holder. The Bombay High Court has asked CDR lenders position on the NCD holder's treatment on pari-passu basis. The matter is currently sub-judice.

Since all funds of the Company are subject matter of Trust and Retention Account (TRA) which is controlled by CDR lenders, the question of payment to NCD holder

does not arise until and unless CDR lenders decide on the issue as directed by the Hon'ble High Court of Bombay ”.

In view of the above facts and as the matter is presently sub-judice, we are unable to offer any comment on default, if any, in payment of dues by the holding Company to the Holders of Non Convertible Debentures.

According to the records examined by the auditor of the Subsidiary Company incorporated in India and as per information and explanations given to them, the subsidiary has not availed any loans from any financial institutions or banks and has not issued debentures.

(x) The Holding Company has given corporate guarantees aggregating to Rs. 581.20 Crores for loans taken by Subsidiary Companies, an associate Company and affiliate Company of the Holding Company from banks and financial institutions. It has been explained to us that these guarantees are given in the course and for furtherance of business interest of the Holding Company and accordingly the terms and conditions of these guarantees are not prejudicial to the interest of the Holding Company. We are, however, unable to comment on the same.

In the opinion of the auditor of the Subsidiary Company incorporated in India and according to the information and explanation given to them, the Subsidiary has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) In our opinion and according to the information and explanations given to us and the auditor of the Subsidiary Company incorporated in India, the Holding Company and the Subsidiary Company have not raised new term loan during the year. Therefore, the provisions of clause (xi) of Paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable.

(xii) To the best of our knowledge and belief and on the basis of our examination of the records of the Holding Company and that of auditor of the Subsidiary Company incorporated in India, no material fraud on or by the Holding Company and the Subsidiary Company has been noticed or reported during the year, nor we and the auditor of the Subsidiary Company have been informed of any such case by the respective managements.

For **Godbole Bhawe & Co.**
Chartered Accountants
Firm Reg. No. – 114445W

M.V. Bhawe
Partner
Membership No. – 038812
Place: Mumbai
Date: 5th May 2015

For **Yeolekar & Associates**
Chartered Accountants
Firm Reg. No. – 102489W

S. S. Yeolekar
Partner
Membership No. – 036398

Consolidated Balance Sheet as at March 31, 2015

(₹ in Crores)

	Note No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2.1	807.30	807.30
Reserves and Surplus	2.2	(873.67)	272.69
		(66.37)	1,079.99
Minority Interest		(0.22)	0.33
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	1,869.36	2,256.07
Other Long-term liabilities	2.4	Nil	8.02
Long-term provisions	2.5	5.97	5.48
		1,875.33	2,269.57
CURRENT LIABILITIES			
Short-term borrowings	2.6	277.94	258.27
Trade payables	2.7	413.50	224.53
Other current liabilities	2.8	4,193.22	3,771.46
Short-term provisions	2.9	1.38	1.48
		4,886.04	4,255.74
Total		6,694.78	7,605.63
II. ASSETS			
NON-CURRENT ASSETS			
Fixed assets	2.10		
Tangible assets		247.85	406.80
Intangible assets		1.09	12.37
Capital work-in-progress		64.30	118.26
		313.24	537.43
Non-current investments	2.11	3,146.15	3,199.81
Deferred tax assets (net)	2.12	19.44	14.40
Long-term loans and advances	2.13	1,551.91	1,741.33
		4,717.50	4,955.54
CURRENT ASSETS			
Current investments	2.14	20.81	45.01
Inventories	2.15	98.26	121.98
Trade receivables	2.16	550.83	913.46
Cash and Bank Balance	2.17	139.35	210.43
Short-term loans and advances	2.18	498.07	608.41
Other current assets	2.19	356.73	213.37
		1,664.04	2,112.66
Total		6,694.78	7,605.63
Significant Accounting Policies and Notes form an integral part of the financial statements	1 2.1 to 2.37		

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

For **M/s Godbole Bhawe & Co.** For **M/s Yeolekar & Associates**
Chartered Accountants Chartered Accountants
FRN No.114445W FRN No.102489W

Sunil S. Valavalkar **Vijay Vij**
Whole-time Director Director

M.V. Bhawe
Partner
Membership No. 38812
Place : Mumbai
Date : May 05, 2015

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Statement of Consolidated Profit and Loss for the year ended March 31, 2015

(₹ in Crores)

	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Continuing Operations			
Revenue from operations	2.20	1,793.56	1,618.13
Less: Excise Duty		Nil	Nil
		1,793.56	1,618.13
Other Income	2.21	90.91	83.72
Total Revenue		1,884.47	1,701.85
Expenses:			
Cost of Purchases	2.22	1,365.85	1,110.62
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.23	23.72	(24.12)
Employee benefits expenses	2.24	264.23	259.13
Finance Costs	2.25	518.13	582.41
Depreciation, amortization and Impairment	2.10	138.09	126.12
Other expenses	2.26	366.31	74.32
Total Expenses		2,676.33	2,128.48
Loss before exceptional items and tax		(791.86)	(426.63)
Exceptional Items	2.27	(39.22)	(26.65)
Loss after exceptional items but before tax		(831.08)	(453.28)
Tax expense:			
Current tax	2.28	6.12	(0.14)
Short Provision for Income Tax for earlier years		Nil	25.18
Deferred tax Liability / (Asset)		9.35	4.21
Loss after tax expense from continuing operations		(846.55)	(482.53)
Less : Minority Interest		0.55	0.34
Add : Share of Profit / (Loss) in associates		(11.81)	(24.89)
Loss after tax expense, Share of Profit in associates and minority interest from continuing operations		(857.81)	(507.08)
Discontinuing operations	2.29		
Loss before tax from discontinuing operations		(257.08)	(54.31)
Less : Tax Expenses of Discontinuing operations			
Loss after tax expense from discontinuing operations		(257.08)	(54.31)
Loss for the year		(1,114.89)	(561.39)
Earnings per equity share:			
Equity shares of par Value ₹ 10/- each.			
Basic		(70.89)	(35.70)
Diluted		(70.89)	(35.70)
Significant Accounting Policies and Notes form an integral part of the financial statements	1 2.1 to 2.37		

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

For **M/s Godbole Bhawe & Co.** For **M/s Yeolekar & Associates**
Chartered Accountants Chartered Accountants
FRN No.114445W FRN No.102489W

Sunil S. Valavalkar **Vijay Vij**
Whole-time Director Director

M.V. Bhawe
Partner
Membership No. 38812
Place : Mumbai
Date : May 05, 2015

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat **Vidyadhar Apte**
Chief Financial Officer Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2015

(₹ in Crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Net Profit / (Loss) before tax, after Minority Interest and Share of Profit of Associates:		
Net Loss before tax from continuing operations	(842.34)	(477.83)
Net Loss before tax from discontinuing operations	(257.08)	(54.31)
Net loss before tax	(1,099.42)	(532.14)
Adjustments for:		
Depreciation – Continuing operations	138.09	126.12
Depreciation – Discontinuing operations	1.90	0.60
Interest and dividend income	(25.52)	(13.95)
Bad debts written off	14.98	29.87
Provision for doubtful trade receivables (Net)– Continuing operations	135.40	1.22
Provision for doubtful trade receivables (Net)– Discontinuing operations	28.89	Nil
Provision for doubtful advances (Net)	69.35	0.41
Assets Written off	48.72	Nil
Debit / Credit balances and claims written off (Net)	(2.92)	(15.28)
(Profit) / Loss on sale of fixed assets (Net)	Nil	0.01
(Profit) / Loss on sale / redemption of investments	(7.54)	(20.60)
Minority Interest	(0.55)	(0.34)
Share of Profit / (Loss) in associates	11.82	24.89
Unrealised Exchange (Gain) / Loss	20.66	62.50
Provision for Wealth Tax	0.01	0.01
Interest on borrowings	483.34	522.07
Financial charges	6.61	19.98
Exceptional Items :		
Provision for doubtful receivables – Others (Net)	136.00	Nil
Provision for diminution in value of investment	45.00	Nil
Remission of loan liability (Principal Amount)	(42.49)	Nil
Suppliers Claim – Continuing operations	245.72	Nil
Claims received from Aircel	(345.00)	Nil
Claims of Distribution Franchisee –Discontinuing operations	113.49	Nil
Operating profit before Working Capital changes	(23.46)	205.37
Adjustments for:		
Inventories	22.64	(7.85)
Trade receivables	49.58	203.48
Loans and advances	84.86	291.93
Other current assets	40.93	(14.27)
Trade payables	71.25	(169.88)
Other liabilities and provisions	(34.74)	(39.31)
Cash generated from operations	211.06	469.47
Direct taxes received / (paid)	20.27	(2.78)
Cash flow from Operating Activities	231.33	466.69
Exceptional Items :		
Claim received from Aircel	345.00	Nil
Vendors claims paid	(245.72)	Nil
Net Exceptional Items	99.28	Nil
Net cash Generated from / (Used in) operating activities:	(A) 330.61	466.69
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(25.80)	(37.48)
Proceeds from Sale of fixed assets	0.77	0.72
Capital Subsidy received	Nil	7.63

(₹ in Crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Realisation of capital advances	Nil	119.61
Realisation of receivables for disposal of investment	Nil	49.00
Proceeds from sale of investments in Mutual Funds	849.19	943.32
Purchase of investments – other than Mutual Funds	Nil	(50.20)
Purchase of investments – Mutual Fund	(818.45)	(967.73)
Realisation from sale of investments – Other than subsidiaries	3.00	Nil
Interest and dividend income	4.26	11.73
Net Cash Generated from/(used in) Investing Activities	(B) 12.97	76.60
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in borrowings	166.00	Nil
Decrease in borrowings	(347.97)	(184.94)
Interest paid	(219.73)	(288.66)
Financial Charges	(6.61)	(18.06)
Fixed deposits with banks held as margin money	12.84	(4.01)
Net cash Generated from/(used in) financing activities	(C) (395.47)	(495.67)
Adjustment on account of Consolidation / Translation	(D) (6.35)	15.67
Net increase / (decrease) in cash and cash equivalents	(A+B+C+D) (58.24)	63.29
Cash and cash equivalents (Opening)	168.74	105.45
Cash and cash equivalents (Closing)	110.50	168.74

- (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 ₹ 0.59 Cr. (PY ₹ 0.70 Cr.) towards amount payable for unclaimed dividend.
- (iv) Following transactions since not involving cash flows are not considered in preparation of above Statement :
- Increase in paid up Equity Share capital of ₹ Nil (PY ₹ 0.34 Cr.) & in Securities Premium Reserve of ₹ Nil (PY ₹ 0.58 Cr.) which is on account of conversion of Compulsory Convertible Debentures (CCDs) allotted to the lenders under CDR Package.
 - Return of Inventory of ₹ Nil (PY ₹ 291.76 Cr.) resulting in increase in advances to suppliers classified under Long Term Loans and Advances.
 - Increase in non current investment on account of:
 - Restoration of Company's investment of ₹ Nil (PY ₹ 300.32 Cr.) in Equity Shares of GTL Infrastructure Limited which were earlier invoked by IFCL, a lender of the Company's Associate, Chennai Network Infrastructure Limited (CNIL).
 - Investment accepted of ₹ Nil (PY ₹ 200.00 Cr.) in Preference Shares and of ₹ Nil (PY ₹ 150.00 Cr.) in Fully Convertible Debentures of Global Rural Netco Limited from parties against receivables for a) advances paid towards supplies and b) sale of goods.
 - Acceptance of Investment of ₹ Nil (PY ₹ 241.48 Cr.) in Preference Shares of European Projects and Aviation Limited from parties against receivables for a) advances paid towards supplies and b) sale of goods.
 - Increase in borrowing of ₹ 249.16 Cr. (PY Nil) on account of conversion of part of the accrued interest liability relating to NCD.
- (v) Previous year's figures have been regrouped / rearranged / recast wherever necessary to make them comparable with those of current year.

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirolkar
 Chairman & Managing Director

For **M/s Godbole Bhawe & Co.** For **M/s Yeolekar & Associates**
Chartered Accountants *Chartered Accountants*
 FRN No.114445W FRN No.102489W

Sunil S. Valavalkar **Vijay Vij**
Whole-time Director *Director*

M.V. Bhawe **S.S. Yeolekar**
Partner *Partner*
 Membership No. 38812 Membership No. 36398
 Place : Mumbai
 Date : May 05, 2015

Milind Bapat **Vidyadhar Apte**
Chief Financial Officer *Company Secretary*

1. BASIS OF PRINCIPLES OF CONSOLIDATION AND 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 Limited	Mauritius	100% subsidiary of GTL Limited	December 31
B	GTL International Limited	Bermuda	100% subsidiary of GTL Limited	December 31
B.1	GTL (Singapore) Pte Ltd.	Singapore	100% subsidiary of GTL International Ltd	December 31
B.2	GTL Saudi Arabia Company Limited	Saudi Arabia	90% subsidiary of GTL International Ltd	March 31
B.3	GTL Overseas Middle East FZ LLC	UAE	100% subsidiary of GTL International Ltd	December 31
B.4	GTL Overseas Middle East JLT	UAE	100% subsidiary of GTL International Ltd	December 31
B.5	GTL International Nigeria Limited	Nigeria	100% subsidiary of GTL International Ltd	December 31
B.6	Pt. GTL Indonesia Limited	Indonesia	100% subsidiary of GTL (Singapore) Pte Ltd.	December 31
B.7	GTL Europe Limited	UK	100% subsidiary of GTL International Ltd	December 31
B.8	iGTL Network Services Philippines Inc.	Philippines	100% subsidiary of GTL Networks Services Malaysia Sdn Bhd	December 31
B.9	GTL USA Inc.	USA	100% subsidiary of GTL International Ltd	December 31
B.10	GTL International Lanka (Private) Limited	Sri Lanka	100% subsidiary of GTL International Ltd	December 31
B.11	GTL International Bangladesh Pvt. Ltd.	Bangladesh	100% subsidiary of GTL Europe Limited	December 31
B.12	GTL Kenya Limited	Kenya	100% subsidiary of GTL International Ltd	December 31
B.13	GTL Tanzania Limited	Tanzania	100% subsidiary of GTL International Ltd	December 31
B.14	GTL Canada Inc.	Canada	100% subsidiary of GTL USA Inc.	December 31
B.15	GTL Nepal Private Limited	Nepal	100% subsidiary of GTL (Singapore) Pte Ltd.	December 31
B.16	iGTL Myanmar Limited	Myanmar	99% subsidiary of GTL Singapore Pte Ltd and 1% subsidiary of GTL Europe Ltd.	March 31
B.17	GTL Network Services Malaysia Sdn Bhd.	Malaysia	100% subsidiary of GTL International Ltd.	March 31
B.18	GTL China Corporation Ltd.	China	100% subsidiary of GTL Networks Services Malaysia Sdn Bhd	December 31
C	Ada Cellworks Wireless Engineering Private Limited	India	100% subsidiary of GTL Limited	March 31
The companies closed / liquidated during the year				
i.	GTL Taiwan Co. Ltd.			
ii.	GTL Network Services SA Pty Limited			

1.2 Principles of Consolidation:

1. 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”.
2. 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 recognised as the “Translation Reserve” and the same is grouped under “Reserves and Surplus”.
3. 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.
4. The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on 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.
5. 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.
6. 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.
7. 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”, except investment in associates which operate under severe long term restrictions that significantly impair their ability to transfer funds to the Company. The investment in such associates is accounted as per AS 13– “Accounting for Investments”.

8. 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 Significant Accounting Policies on Consolidated Accounts:

1. Basis for preparation of Consolidated Financial Statements:

The Consolidated Financial Statements have been prepared on a going concern basis under historical cost convention on accrual basis, in accordance with the generally accepted accounting principles in India and relevant provisions of the Companies Act, 2013.

2. Use of Estimate:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions 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 year. The difference between the actual results and estimates are recognised in the year in which the results are known / materialized.

3. Revenue recognition:

Revenues are recognised 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 recognised based on work completion of activity or achievement of milestone.
- b. Revenue from sale of products (excluding under agency arrangements) is recognised upon passing of the 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 recognised on performance of service.

- e. Dividend income is recognised when the right to receive dividend is established.
- f. Income such as annual maintenance contracts, annual subscriptions, Interest excluding interest on delayed payments, Lease Rentals, Facility Management is recognised as per contractually agreed terms on time proportion basis.
- g. Other income is recognised when the right to receive is established.
- h. Delayed payment charges and interest on delayed payments are recognised, on ground 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 date asset is 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 recognised 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 acquisition 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 includes cost of fixed assets that are not ready for their intended use as at the balance sheet date.

5. Depreciation:

- a. Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method over the useful life of the assets and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of following Fixed Assets where the assessed useful life is different than that prescribed in Schedule II.

- i) In respect of the following assets, the useful economic life as assessed is lower than the useful life for these assets as stated in Schedule II.

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	Test and Repair Equipment	5
5	Vehicles	5
6	Assets acquired for Power Distribution Franchisee (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

- ii) Assets costing individually ₹ 5,000 or less are depreciated fully in the year of purchase.
- b. The leasehold improvements have been depreciated over the lease period.

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 the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting year/s is reversed if there has been a change in the estimate of recoverable amount.

7. Investments:

- a. Current Investments are carried at the lower of cost or quoted / fair value computed scrip wise. Long Term Investments other than Investment in associates are stated at cost. Provision for diminution in the value of long-term investments is made only if decline in the value of such investments is other than temporary.
- b. 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”, except investment in associates which operate under severe long term restrictions that significantly impair their

ability to transfer funds to the Company. The investment in such associates is accounted as per AS 13– “Accounting for Investments” as per policy stated in 7(a) above.

8. Inventories:

- a. Inventories including work-in-progress 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 transactions 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 recognised as exchange difference. The premium on forward contract/s 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 recognised 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 recognised as an expense at the undiscounted amount in the 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 recognised as an expense at the present value of amount payable

determined using actuarial valuation techniques in the 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 the 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 recognised 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 recognised 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 recognised 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 recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

13. Financial Derivatives and Hedging Transactions:

In respect of Derivative Contracts, premium paid, provision for losses on restatement and gains / losses on settlement are recognised in the 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 recognised 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 recognised as expense in the 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 the 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 year.

16. Provision for Doubtful Debts and Loans and Advances:

Provision is made for doubtful trade receivables, loans and advances when the management considers trade

receivables, loans and advances to be doubtful of recovery.

17. Research and Development:

- a. Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss in the year 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

18. Cash and Cash equivalents :

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, cheques in hand and deposits with banks having maturity period less than three months from the date of acquisition.

19. Discontinued operations:

An operation of the Company is considered as discontinued when it meets the following criteria:

A discontinued operation is a component of the Company's business, that can be distinguished operationally and for financially reporting purposes and which represents a separate major line of business or geographical area of operations that company is disposing of substantially in its entirety, such as by selling the component in a single transaction or by demerger or spin-off of ownership of the component to the Company's shareholders or disposing of piecemeal, such as by selling off the component's assets and settling its liabilities individually; or terminating through abandonment.

2. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(The word Company refers to GTL Limited unless context otherwise permits)

2.1 SHARE CAPITAL

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised:		
290,000,000 (290,000,000) Equity Shares of ₹ 10 each.	290.00	290.00
810,000,000 (810,000,000) Preference Shares of ₹ 10 each.	810.00	810.00
	1,100.00	1,100.00
Issued, subscribed and paid up:		
157,296,781 (157,296,781) Equity Shares of ₹ 10 each fully paid-up.	157.30	157.30
650,000,000 (650,000,000) 0.01% Non-participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid-up.	650.00	650.00
Total	807.30	807.30

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, 2015		As at March 31, 2014	
	Nos.	Amount	Nos.	Amount
Number of Equity Shares at the beginning of the year	157,296,781	157.30	156,957,693	156.96
Add: Allotment of Equity Shares of ₹ 10 each fully paid up on account of Conversion of Compulsorily Convertible Debentures (CCDs) issued to Promoter and CDR Lenders under Corporate Debt Restructuring (CDR) package approved to the Company.	Nil	Nil	339,088	0.34
Total Number of Equity Shares at the end of the year	157,296,781	157.30	157,296,781	157.30

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, 2015		As at March 31, 2014	
	Nos.	Amount	Nos.	Amount
Number of Preference Shares at the beginning of the year	650,000,000	650.00	650,000,000	650.00
Add: Allotment of 0.01% Non-participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid-up.	Nil	Nil	Nil	Nil
Total Number of Preference Shares at the end of the year	650,000,000	650.00	650,000,000	650.00

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 number 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 provisions of Companies Act, 2013, read together with Memorandum of Association of the Company.

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 allotted to Chennai Network Infrastructure Limited (CNIL). In

terms of the issue, CNIL had right to convert OCPS into equity shares from the expiry of 6 months from the date of allotment till 18 months of the date of allotment. However, CNIL has opted for non-conversion of OCPS into equity shares.

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 may be waived by CNIL.

After the expiry of a period of 6 months from the Allotment Date, the OCPS may at the Option of the Company be redeemed at any time prior to the expiry of 20 years from the date of the allotment, in part or in full, after providing a prior written notice of 30 days to CNIL. As agreed by the OCPS holder, the original term providing Yield to Maturity of 8% by way of redemption premium has been repealed by the Board.

Other than as permitted under applicable laws, CNIL will not have a right to vote at the Company's General Meetings. CNIL has also agreed 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 OCPS holder/s will be entitled to receive in proportion to the number 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 OCPS holder/s shall have such rights as per the provisions of Companies Act, 2013, read together with Memorandum of Association of the Company.

2.1.5 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, 2015	% held as at March 31, 2015	No. of Shares as at March 31, 2014	% held as at March 31, 2014
Global Holding Corporation Private Limited	50,980,559	32.41%	50,980,559	32.41%
Manoj G. Tirodkar	18,599,435	11.82%	18,599,435	11.82%

2.1.6 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, 2015	% held as at March 31, 2015	No. of Shares as at March 31, 2014	% held as at March 31, 2014
Chennai Networks Infrastructure Limited	650,000,000	100%	650,000,000	100%

2.2 RESERVES AND SURPLUS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Capital Reserve		
Opening balance	12.84	12.84
Closing Balance	12.84	12.84
Capital Redemption Reserve		
Opening balance	8.63	8.63
Closing Balance	8.63	8.63
Securities Premium Reserve		
Opening balance	448.18	447.59
Add: On issue of Equity shares on conversion of CCD	Nil	0.59
Closing Balance	448.18	448.18
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
General Reserve		
Opening balance	510.76	510.76
Closing Balance	510.76	510.76
Translation Reserve	(7.18)	1.76
Reserve on Consolidation	20.22	42.75
Balance in Statement of Profit and Loss :		
Surplus /(Deficit) Opening Balance	(943.39)	(382.00)
Add / Less : Net profit / (loss) after tax transferred from Statement of Profit and Loss	(1,114.89)	(561.39)
Surplus / (Deficit) Closing Balance	(2,058.28)	(943.39)
Total of Reserves and Surplus	(873.67)	272.69

*In view of Loss incurred, no Debenture Redemption Reserve is created since year ended March 31, 2012.

2.3 LONG TERM BORROWINGS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Secured Loans		
Term Loans:		
From Banks	1,596.78	2,064.89
Total of secured loans (Refer Note 2.3.1 & 2.3.2)	1,596.78	2,064.89
Unsecured Loans		
Debentures:		
7% Cumulative Convertible Debentures (Refer Note 2.3.2)	Nil	31.60
Term Loans :		
Term Loan from Banks (Refer Note 2.3.2)	272.58	159.58
Total of unsecured loans	272.58	191.18
Total of Long Term Borrowings	1,869.36	2,256.07

2.3.1 Nature of security:

- I) Security created in favor of CDR Lenders:
 - a) A first charge and mortgage on all immovable properties, present and future;
 - b) A first charge by way of hypothecation over all movable assets, present and future;
 - c) A first charge on the Trust and Retention Account and other reserves and any other bank accounts wherever maintained, present & future;
 - d) A first charge, by way of assignment or creation of charge, over:
 - i. all the right, title, interest, benefits, claims and demands, whatsoever, in the Project Documents duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied or supplemented from time to time;
 - ii. all the rights, title, interest, benefits, claims and demands, whatsoever, in the Clearances;
- II) Security offered to CDR Lender's pending creation of charge
 - i) The Company's one of the promoters namely GHC along with its step down subsidiaries has to extend corporate guarantee; and
 - ii) GHC has to pledge its holding in the Company that is currently pledged by GHC in favor of its lenders, as and when released, either in full or part.
- III) Prior to the restructuring of the 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 above.

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

(₹ in Crores)

Sr. No.	Nature of facility and Rate of interest	Mar 16	Mar 17	Mar 18	Mar 19	Mar 20	Mar 21
	Parent Company (refer note no 2.3.2.1)						
1	WCTL – 11%	369.74	369.74	415.96	231.09	231.09	231.09
2	FITL – 2%	98.18	117.81	Nil	Nil	Nil	Nil
	International Subsidiaries						
3	Term Loan– LIBOR + 3.5% (refer note no.2.3.2.2)	34.99	39.37	48.11	53.87	Nil	Nil
4	Term Loan – 4.00%	Nil	131.23	Nil	Nil	Nil	Nil
5	7% CCD	76.73	Nil	Nil	Nil	Nil	Nil
	Total	579.64	658.15	464.07	284.96	231.09	231.09

2.3.2.1 In view of the non-payment of loan installments and interest accrued thereon, CDR lenders have classified facilities provided to the Company as Non – Performing Assets (NPA). Considering the continuation of CDR package, the maturity profile presented above is as per approved CDR package.

2.3.2.2 GTL International Ltd. (a wholly owned subsidiary of the Company) had borrowed from a consortium of Axis Bank, Bank of Baroda and Bank of India and the proceeds of the same were used to repay a part of the 7% Cumulative Convertible Debentures and interest thereon. For this facility, there is an escrow on the bank accounts of GTL USA Inc., GTL Europe Limited, and GTL Singapore Pte Ltd in favour of Axis Bank for the collection from Trade Receivables.

2.4 OTHER LONG TERM LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade payables	Nil	5.85
Security Deposits*	Nil	2.17
Total	Nil	8.02

*Include ₹ Nil (₹ 2.16 Cr.) received from related party.

2.5 LONG TERM PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits:		
– Gratuity	4.58	3.74
– Leave Encashment	1.39	1.74
Total	5.97	5.48

2.6 SHORT TERM BORROWINGS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Loans repayable on demand :		
From Banks		
– Cash Credit– Secured *	261.35	246.65
– Overdraft– Secured **	2.54	Nil
– Overdraft – Unsecured	14.05	11.62
Total	277.94	258.27

* For details of Securities offered in respect of cash credit facility refer note no. 2.3.1

** Secured against term deposits of ₹ 5.95 Cr. with bank.

2.7 TRADE PAYABLES

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payables	413.50	224.53
Total	413.50	224.53

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, 2015	As at March 31, 2014
Principal amount remaining unpaid	0.99	2.36
Interest due thereon	2.35	2.03
The amount of interest paid in terms of section 16, along with the amounts of the payment made beyond the appointed day during accounting year	Nil	Nil
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	0.13	Nil
The amount of interest accrued and remaining unpaid at the end of accounting year	2.35	2.03
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	0.32	0.30

2.8 OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of Secured Long Term Loan from Bank	467.92	375.57
Current maturities of Unsecured Term Loan from Bank	34.99	8.40

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Current Maturities of Rated Redeemable Unsecured Rupee Non-Convertible Debentures (Refer Note No. 2.8.1)	Nil	460.00
Dues payable to holders of Rated Redeemable Unsecured Rupee Non-Convertible Debentures (Refer Note No. 2.8.1)	Nil	940.00
Due / Payable to holder of Non-Convertible Debentures (Refer Note No. 2.8.1)	1,649.16	Nil
Current maturities of 7% cumulative convertible debentures	76.73	42.06
Due to External Commercial Borrowing Lenders (Refer Note No. 2.8.2)	694.86	899.25
Dues payable to Banks for Secured Long Term Loan (Refer Note No.2.8.3)	419.55	67.19
Credit Facilities from Banks- Due (Refer Note No. 2.8.4)	162.35	271.35
Interest accrued but not due on borrowings	Nil	6.27
Interest accrued and due on borrowings (Refer Note 2.8.5)	601.45	577.78
Interest accrued and due on others	2.35	2.03
Unpaid dividends	0.59	0.97
Capex Creditors	0.28	4.31
Expense Creditors	15.38	30.00
Provision for Expenses	9.27	9.85
Accrued salaries and employee benefits	3.22	8.98
Withholding and other taxes payable	11.63	14.74
Advance from customers	17.17	28.37
Security deposit received*	2.23	0.66
Unearned revenue	23.04	21.62
Other liabilities**	1.05	2.06
Total	4,193.22	3,771.46

* Include ₹ 2.16 Cr. (₹ Nil) received from related party.

**Includes due to employees towards insurance claims received ₹ 1.05 Cr. (₹ 1.90 Cr.).

2.8.1 In the financial statements of the previous financial year, the following was disclosed in relation to the Rated Redeemable Unsecured Rupee Non-Convertible Debentures issued by the Company:

"The holder of Rated Redeemable Unsecured Rupee Non-Convertible Debentures have given their consent to be part of the Corporate Debt Restructuring Scheme. Accordingly, the Company and the holders of Rated Redeemable Unsecured Rupee Non-Convertible Debentures have entered into amendment to the original sanction letter on March 22, 2014 to restructure NCD debt, pending fulfillment of conditions mentioned therein, the effect of the same is not given in the books".

The time period for complying with the various conditions was originally May 31, 2014 and the same was subsequently extended to July 31, 2014.

While the Company had taken steps towards fulfillment of its obligations, including payment of a sum of ₹ 123.80 Cr. in respect of interest, due to certain inter-creditor issues, and pendency of consent by CDR Lenders, the restructuring could not be implemented within the time prescribed under definitive documentation entered into with the NCD holders.

While the Company was in the process of obtaining consent of the CDR lenders on bilateral restructuring documents, the Company received a notice on October 27, 2014 from the NCD holder exercising its rights for acceleration of the entire outstanding amount and in January 2015 the NCD holders filed winding up petition against the Company before Hon'ble High Court of Bombay seeking urgent / interim reliefs such as desisting from making any further payment to CDR lenders till ECB / NCD interest / principal dues are paid, share the proceeds of TRA account on *pari-passu* with CDR lenders and going forward to create security in favour of NCD holder. The Company has taken appropriate legal steps in these matters to defend / protect its interest. The CDR and ECB lenders of the Company have also intervened. The Bombay High Court has asked CDR lenders position on the NCD holder's treatment on *pari-passu* basis. The matter is currently *sub-judice*. Since all funds of the Company are subject matter of Trust and Retention Account (TRA) which is controlled by CDR lenders, the question of payment to NCD holder does not arise until and unless CDR lenders decide on the issue as directed by the Hon'ble High Court of Bombay.

The above circumstances have resulted in non payment of dues to the NCD holders, which is beyond the control of the management and thus not in the nature of default.

- 2.8.2 The Company availed an External Commercial Borrowing ("ECB") facility of US\$ 150 Mn. in September 2006. The facility was due for repayment in September 2011. An amount of ₹ 694.86 Cr. (US\$ 111.21 Mn.) is presently owed to the ECB Lenders.

By way of background, it may be noted that on account of the various factors that adversely affected the Telecom and Power industries (and in particular, the Company), the Company was constrained to restructure its debt under the Corporate Debt Restructuring ("CDR") scheme with effect from July 2011. Pursuant to the terms of the said CDR package, the Company and the ECB lenders also agreed to an indicative term sheet for restructuring of ECB facilities. Even though RBI approval for the restructuring was obtained, due to the contrarian stands taken by different sets of lenders, the inter-creditor agreement could not be executed.

Pending execution of the documentation (which was being deliberated amongst the CDR lenders, the ECB lenders & the NCD holders), some of the ECB lenders filed an Application for Summary Judgment before the High Court of Justice, Queen's Bench Division, Commercial Court, London ("London High Court"). The London High Court, after hearing the parties, by way of its Order dated February 20, 2015 dismissed the ECB lenders' application for summary judgment on their claim of interest post September 19, 2011 and directed the Company to pay outstanding principal amount of US\$ 21,666,667, equivalent to ₹ 135.37 Cr. to the 3 ECB lenders who approached the Court. The Court has also directed payment of GBP 31,500 equivalent to ₹ 0.29 Cr. towards Claimants legal costs by the Company.

- 2.8.3 Dues payable to Banks for Secured Long Term Loan of ₹ 419.55 Cr. represent overdue amount relating to period June 14 to March 15 (previous year ₹ 67.19 Cr. relating to period January 2014 to March 2014).
- 2.8.4 Dues payable of ₹ 162.35 Cr. (previous year ₹ 271.35 Cr.) to Banks towards facilities pertaining to the Company's wholly owned subsidiary, International Global Tele-Systems Limited comprises of:
- Credit facility from the bank of ₹ 162.35 Cr. (previous year ₹ 155.86 Cr.), which was covered under an insurance policy assigned to the bank. The said amount is due since October 2011.
 - Restructured bank loan of ₹ Nil (previous year credit facility of ₹ 115.49 Cr. due since January 2014).
- 2.8.5 Interest accrued and due on borrowings comprises of:
- Overdue Interest of ₹ 189.28 Cr. relating to the period March 2014 to March 2015 (previous year ₹ 415.50 Cr. relating to the period May 2011 to March 2014) on amounts due to holders of Rated Redeemable Unsecured Rupee Non-convertible Debentures;

- b) Overdue Interest of ₹ 93.75 Cr. relating to the period for December 12, 2011 to March 31, 2015 (previous year ₹ 86.67 Cr. relating to the period December 12, 2011 to March 31, 2014) on External Commercial Borrowings.
- c) Overdue Interest of ₹ 196.54 Cr. relating to the period June 2014 to March 2015 (previous year ₹ 24.78 Cr. relating to the period February 14 to March 14) on Secured Term Loan
- d) Overdue interest of ₹ 5.87 Cr. relating to the period June 2014 to March 2015 (previous year ₹ 0.81 Cr. relating to the period February 14 to March 14) on Secured Funded Interest Term Loan
- e) Overdue interest of ₹ 2.48 Cr. relating to the period September 2014 to March 2015 (previous year ₹ Nil) on Cash Credit facility.
- f) Overdue interest of ₹ 113.53 Cr. (previous year ₹ 49.88 Cr.) pertaining to international subsidiaries and step-down subsidiaries comprises of:
- Interest of ₹ 45.50 Cr. relating to the period March 12 to March 15 (previous year ₹ 20.16 Cr. relating to the period March 12 to March 14) on credit facility
 - Interest of ₹ 35.96 Cr. relating to the period March 12 to March 15 (previous year ₹ 7.28 Cr. relating to the period March 12 to March 14) on loans
 - Interest of ₹ 7.40 Cr. relating to the period September 14 to March 15 (previous year ₹ 6.83 Cr. relating to the period September 12 to March 14) on term loans
 - Interest of ₹ 21.40 Cr. relating to the period June 12 to March 15 (previous year ₹ 14.10 Cr. relating to the period June 12 to March 14) on 7% Cumulative Convertible Debentures
 - Interest of ₹ 3.27 Cr. relating to the period September 13 to March 15 (previous year ₹ 1.51 Cr. relating to the period September 13 to March 14) on overdraft facilities

The Company continues to account for the interest obligations on various credit facilities as per the terms of CDR / the amended terms / as per the original terms of sanction as applicable.

2.9 SHORT TERM PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits		
– Gratuity	0.49	0.01
– Leave Encashment	0.12	0.33
Provision for Income Tax	0.77	1.14
Total	1.38	1.48

2.10 FIXED ASSETS (Current Year)

(₹ in Crores)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				Impairment of Assets	NET BLOCK	
	As at April 1, 2014	For the period Additions	Sale / Adjustment	As at March 31, 2015	As at April 1, 2014	For the period Additions	Sale / Adjustment	As at March 31, 2015		As at March 31, 2015	As at March 31, 2014
Tangible Assets											
Land – Freehold	0.23	Nil	Nil	0.23	Nil	Nil	Nil	Nil	Nil	0.23	0.23
– Leasehold	3.89	Nil	Nil	3.88	0.04	Nil	Nil	0.04	Nil	3.84	3.85
Buildings (Including Leasehold)	91.56	0.79	(0.15)	92.21	14.02	1.64	(0.03)	15.62	Nil	76.59	77.54
Plant and Equipments	471.90	9.63	(40.59)	440.95	272.40	79.88	(2.91)	349.36	Nil	91.59	199.50
Furniture and Fixtures	31.77	1.22	(0.72)	32.27	22.22	1.54	(1.15)	22.63	0.53	9.11	9.55
Office Equipments	28.45	0.45	(0.48)	28.42	14.18	1.10	(0.22)	15.06	0.01	13.35	14.27
Computers	69.40	0.88	(8.03)	62.25	49.98	8.22	(0.48)	57.72	0.15	4.38	19.44
Networking Assets	345.70	1.62	(0.02)	347.29	275.11	32.44	(0.06)	307.50	Nil	39.79	70.59
Test and Repair Equipments	32.74	0.18	(0.38)	32.54	21.74	2.94	(0.26)	24.42	0.01	8.11	11.00
Vehicles	2.53	0.29	(0.21)	2.62	1.70	0.10	(0.04)	1.76	Nil	0.86	0.83
TOTAL	1,078.17	15.06	(50.58)	1,042.66	671.39	127.86	(5.15)	794.11	0.70	247.85	406.80

(₹ in Crores)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				Impairment of Assets	NET BLOCK	
	As at April 1, 2014	For the period Additions	Sale / Adjustment	As at March 31, 2015	As at April 1, 2014	For the period Additions	Sale / Adjustment	As at March 31, 2015		As at March 31, 2015	As at March 31, 2014
Intangible Assets											
Networking Software	27.93	0.11	Nil	28.03	24.94	2.04	(0.04)	26.94	Nil	1.09	2.99
Other than Networking Software	76.53	Nil	Nil	76.53	67.15	9.39	Nil	76.53	Nil	Nil	9.38
TOTAL	104.46	0.11	Nil	104.56	92.09	11.43	(0.04)	103.47	Nil	1.09	12.37
Capital Work-in-progress	118.26	14.48	(68.44)	64.30	Nil	Nil	Nil	Nil	Nil	64.30	118.26
TOTAL	1,300.89	29.65	(119.02)	1,211.52	763.48	139.29	(5.19)	897.58	0.70	313.24	537.43
Total (Previous Year)	1,259.02	69.01	(27.14)	1,300.89	640.94	126.72	(4.18)	763.48	Nil	537.43	618.09

FIXED ASSETS (Previous Year)

(₹ in Crores)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2013	For the period Additions	Sale / Adjustment	As at March 31, 2014	As at April 1, 2013	For the period Additions	Sale / Adjustment	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets										
Land – Freehold	0.23	Nil	Nil	0.23	Nil	Nil	Nil	Nil	0.23	0.23
– Leasehold	0.74	3.15	Nil	3.89	Nil	0.04	Nil	0.04	3.85	0.74
Buildings (Including Leasehold)	91.43	0.14	(0.01)	91.56	12.26	1.79	(0.03)	14.02	77.54	79.18
Plant and Equipments	456.26	25.21	(9.57)	471.90	195.92	80.14	(3.66)	272.40	199.50	260.34
Furniture and Fixtures	31.20	0.58	(0.01)	31.77	19.64	2.59	(0.01)	22.22	9.55	11.56
Office Equipments	27.67	0.79	(0.01)	28.45	12.70	1.73	(0.25)	14.18	14.27	14.97
Computers	69.76	2.23	(2.59)	69.40	44.97	5.09	(0.08)	49.98	19.44	24.79
Networking Assets	345.70	Nil	Nil	345.70	260.35	14.76	Nil	275.11	70.59	85.35
Test and Repair Equipments	26.25	6.50	(0.01)	32.74	19.02	2.73	(0.01)	21.74	11.00	7.23
Vehicles	2.88	Nil	(0.35)	2.53	1.66	0.18	(0.14)	1.70	0.83	1.22
TOTAL	1,052.12	38.60	(12.55)	1,078.17	566.52	109.05	(4.18)	671.39	406.80	485.62
Intangible Assets										
Networking Software	24.29	3.64	Nil	27.93	23.62	1.32	Nil	24.94	2.99	0.67
Other than Networking Software	76.53	Nil	Nil	76.53	50.80	16.35	Nil	67.15	9.38	25.73
TOTAL	100.82	3.64	Nil	104.46	74.42	17.67	Nil	92.09	12.37	26.39
Capital Work-in-progress	106.08	26.77	(14.59)	118.26	Nil	Nil	Nil	Nil	118.26	106.08
TOTAL	1,259.02	69.01	(27.14)	1,300.89	640.94	126.72	(4.18)	763.48	537.43	618.09
PREVIOUS YEAR	1,244.99	119.33	(105.30)	1,259.02	466.82	177.65	(3.97)	640.94	618.09	778.17

- Gross block of building includes subscription towards share capital of co-operative societies amounting to ₹ 2,750/- (Previous Year ₹ 2,750/-) and leased buildings amounting to ₹ 90.80 Cr. (Previous Year ₹ 90.06 Cr.).
- Intangible assets includes internally generated software of ₹ 7.27 Cr. (Previous Year ₹ 7.27 Cr.)
- Following amounts are included in "Sale / Adjustment column" in gross block and depreciation relating to Plant and Equipment:
 - Capital Subsidy of ₹ Nil (Previous Year ₹ 7.63 Cr.) and write back of depreciation of ₹ Nil (Previous Year ₹ 1.64 Cr.) thereon.
 - Cost of assets relating to distribution franchisee (DF) activity of ₹ 27.55 handed over to MSEDCL on termination of DF agreement during the year and depreciation of ₹ 2.80 thereon.
- Following amounts are included in "Sale / Adjustment column" in CWIP
 - Cost of assets relating to distribution franchisee (DF) activity of ₹ 20.77 handed over to MSEDCL on termination of DF agreement during the year.
 - Assets of ₹ 48.72 Cr. (Previous Year ₹ Nil) written off during the year
- Consequent to the enactment of the Companies Act, 2013 (the Act) applicable from April 01, 2014, the Company has reassessed the remaining useful life of fixed assets as per Schedule II to the Act. This has resulted in additional charge of depreciation of ₹ 26.54 Cr. for year ended March 31, 2015.
- Depreciation includes ₹ 1.90 Cr. (Previous Year ₹ 0.60 Cr.) for discontinued operations.
- In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the year carried out an exercise of identifying assets that may have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, of Company's wholly owned subsidiary viz Ada Cellworks Wireless Engineering Private Limited Fixed Assets having WDV of ₹ 0.70 Cr. (PY ₹ NIL) have been impaired and impairment loss of ₹ 0.70 Cr. is charged to the Statement of Profit and Loss.

2.11 NON-CURRENT INVESTMENTS

(₹ in Crores)

Particulars	Numbers	As at March 31, 2015	As at March 31, 2014
Trade			
Quoted			
Equity Shares of			
Associates			
GTL Infrastructure Ltd. (Face Value of ₹ 10/- each) (Refer Note No 2.11.3)	345,763,466 (345,763,466)	591.55	591.55
Less : Share of Loss		(19.22)	(19.37)
Total of Quoted Investments in Equity Shares – Trade	(A)	572.33	572.18
Un – quoted			
Equity Shares of			
Associates			
Global Rural Netco Ltd. (Face Value of ₹ 10/- each)	75,000,000 (75,000,000)	75.00	75.00
Less : Share of Loss		(57.37)	(45.56)
		17.63	29.44
Chennai Network Infrastructure Ltd. (Face Value of ₹ 10/- each) (Refer Note No 2.11.3)	1,700,742,399 (1,700,742,399)	1,637.48	1,637.48
		1,655.11	1,666.92
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)	1,708.92	1,720.73
Preference Shares of			
Associates			
6% Cumulative Redeemable Preference Shares of Global Rural Netco Ltd. (Face Value of ₹ 100/- each)	20,000,000 (20,000,000)	200.00	200.00
		200.00	200.00
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% 12 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/- each)	13,000,000 (13,000,000)	13.00	13.00
0.02% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/- each)	50,250,000 (50,250,000)	50.25	50.25
0.1% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/- each)	44,246,900 (44,246,900)	241.48	241.48
		434.73	434.73

(₹ in Crores)

Particulars	Numbers	As at March 31, 2015	As at March 31, 2014
Total of Un–quoted Investments in Preference Shares – Trade	(C)	634.73	634.73
Debt of :			
Associates			
11% Fully Convertible Debenture Series – A Global Rural Netco Ltd. (Face Value of ₹ 100/- each)	15,000,000 (15,000,000)	150.00	150.00
Total of Un–quoted Investments in Debentures – Trade	(D)	150.00	150.00
Total of Un–quoted Investments – Trade	E= (B+C+D)	2,493.65	2,505.46
Total of Investments – Trade	F=(A+E)	3,065.98	3,077.64
Other Investments – Non Trade			
Un – quoted			
Equity Shares of Others			
Brickworks ratings India Pvt Ltd. (Face Value of ₹ 10/- each)	NIL (320,000)	NIL	2.00
Total of Un – quoted Investments in Equity – Others	(G)	NIL	2.00
5% Redeemable Preference Shares of City Windsor Ltd. Of \$ 1 each	20,000,000 (20,000,000)	125.17	120.17
Less : Diminution in value of Investment (refer note No. 2.11.4)		(45.00)	Nil
Total of Un – quoted Investments in Preference – Others	(H)	80.17	120.17
Total Investments	I = (F + G +H)	3,146.15	3,199.81

2.11.1 For basis of valuation Refer Point No. 7 of Note No. 1.3 of “Significant Accounting Policies on Consolidated Accounts”.

2.11.2 Details of aggregate amount of quoted investment, market value thereof, aggregate amount of unquoted investment and provision for diminution:

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Aggregate amount of quoted investments	572.33	572.18
Market value of quoted investments	67.42	50.14
Aggregate amount of unquoted investments	2,618.82	2,627.63
Provision for diminution of investment	45.00	Nil

2.11.3 The details of Company’s holding in its Associates as at March 31, 2015 are as follows:

Name of the Associate	% Holding as at	
	March 31, 2015	March 31, 2014
GTLInfrastructureLimited	14.87%	14.99%
Chennai Network Infrastructure Limited	25.79%	25.79%
GlobalRuralNetcoLimited	42.86%	42.86%

- The Company’s Share in Associate, Global Rural Netco Limited is accounted based on Un–audited Financial Statements for the year ended March 31, 2015;
- The Company has investments in Associates, GTL Infrastructure Limited (GIL) and Chennai Network Infrastructure Limited (CNIL). The debts of GIL and CNIL were restructured under Corporate Debt Restructuring Package (CDR).

The CDR imposes various financial restraints on these associates for transferring funds to the Company which in the opinion of the management constitutes severe long term restrictions, significantly impairing ability of these associates to transfer any funds to the Company as envisaged by AS-23 para 7(b). During the year, the Company has obtained legal opinion in this matter which also supports management's above view. The Company therefore has accounted investment in these associates as per AS-13.

2.11.4 The Company holds investment in both quoted / unquoted equity and preference shares. In respect of Company's investment in unquoted shares, the book value of these investments, are ascertained from the latest available audited / unaudited financials of the investee companies and the book values of these investments are much lower than their carrying cost of such investments. Similarly, the market value of Company's quoted investment is much below the carrying cost of such investment. Provision of ₹ 45 Cr. for diminution in value of investment held by International Global Tele-Systems Ltd. wholly owned subsidiary, in Preference Shares of City Windsor Ltd. is made during the year. As regards other investments, in the opinion of the Management, having regard to the long-term nature of these investments and future business plans of the investee companies and other vested contractual rights available to the Company in respect of certain specified investments, the diminution in the value of investments does not require provision as such diminution is not other than temporary.

2.12 DEFERRED TAX LIABILITY / (ASSET)

2.12.1 (a) Composition of Deferred Tax Liability / (Asset) – Step-down Subsidiary Companies

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Related to Fixed Assets	(19.44)	(14.40)
Total	(19.44)	(14.40)

The above deferred tax asset has been recognised in the consolidated financial statements considering certainty of future taxable income against which deferred tax asset can be realized.

(b) Composition of Deferred Tax Asset – Parent Company

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Relating to:		
a) Fixed Assets	(5.03)	31.87
b) Expenses where deduction is available on payment basis	(101.37)	(72.46)
c) Unabsorbed Depreciation	(132.81)	(118.22)
Total Net	(239.21)	(158.81)

2.12.2 As per prudent accounting practice and in accordance with AS 22 on Accounting for Taxes on Income issued by ICAI, the above deferred tax asset of ₹ 239.21 Cr. (previous year ₹ 158.81 Cr.) has not been recognised in absence of reasonable certainty of sufficient future taxable income against which Deferred Tax Asset can be realized.

2.13 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good, unless otherwise stated)

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Advances to Suppliers (Refer Note No. 2.13.1)	1,532.48	1,512.03
Less : Provision for doubtful advances to suppliers	(190.34)	Nil
Advance to Suppliers (Net of provision)	1,342.14	1,512.03
Capital Advances	0.08	0.44
Other Advances	192.79	217.79
Security Deposits	7.66	7.66
Advances Income Tax & Tax Deducted at source (Net of provision)	9.24	3.41
Total	1,551.91	1,741.33

2.13.1 The Company had paid advances for procurement of material to execute large telecom projects such as BSNL Mega Tender, Aircel, Expansion 2G Network and other telecom projects. In view of discontinuation of these projects, the corresponding purchases have not taken place and hence the advances paid for supplies for these materials are not issued. The Company is negotiating with suppliers for recovery of these advances and considering the status of negotiations, as a prudent accounting practice, has made provision of ₹ 190.34 Cr. (Previous Year ₹ Nil) towards these advances which is considered adequate by the Management.

2.14 CURRENT INVESTMENTS

(₹ in Crores)

Particulars	Number of units	As at March 31, 2015	As at March 31, 2014
Un-quoted			
Mutual Funds of :			
ICICI Prudential Liquid Plan – Direct Growth	Nil (882,684)	Nil	16.60
LIC Nomura Liquid Fund – Growth Plan	Nil (123,777)	Nil	28.41
J P Morgan India Liquid Fund – Growth Plan	8,995,603 (Nil)	15.73	Nil
DSP BlackRock Liquidity Fund – Growth Plan	26,354 (Nil)	5.08	Nil
Total		20.81	45.01

2.14.1 For basis of valuation Refer Point No. 7 of Note No. 1.3 of “Significant Accounting Policies on Consolidated Accounts”.

2.14.2 Details of aggregate amount of quoted investment, market value thereof and aggregate amount of unquoted investment:

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Aggregate amount of quoted investments	Nil	Nil
Market Value of quoted investments	Nil	Nil
Aggregate amount of unquoted investments	20.81	45.01

2.15 INVENTORIES

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Stock-in-trade held for trading	94.61	112.88
Work-in-progress	0.35	0.78
Stores and spares	Nil	0.77
Consumables	3.30	7.55
Total	98.26	121.98

2.15.1 For basis of valuation Refer Point No. 8 of Note No. 1.3 of “Significant Accounting Policies on Consolidated Accounts”.

2.16 TRADE RECEIVABLES (Unsecured)

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade receivables outstanding for a period exceeding six months from the due date of the payment		
Considered good	486.49	668.21
Considered doubtful	215.08	17.26
Less: Allowance for doubtful trade receivables	(215.08)	(17.26)
Subtotal	486.49	668.21
Other trade receivables		
Considered good	64.34	245.25
Total	550.83	913.46

2.16.1 In respect of trade receivable of ₹ 187.76 Cr. (₹ 180.24 Cr.) due to Company's wholly owned subsidiary International Global Tele-Systems Limited (“subsidiary”), the customer has not honored its commitment on the agreed dates. The said receivable is covered by an insurance policy which is assigned in favour of the Bank as security for the facility availed by the subsidiary. The insurance company has also not settled the claim. The subsidiary has appointed an Arbitrator to resolve the issues between itself and the customer. The process of the arbitration is still under progress. The subsidiary is confident of its recovery and hence no provision for the same is made in the financial statements.

2.16.2 The Company has sought the balance confirmations from the customers and has received such confirmations from some customers. In respect of remaining customers, balances are subject to confirmation and appropriate adjustment, if necessary, will be considered in the year of reconciliation.

2.17 CASH AND BANK BALANCES

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
1) Cash & cash equivalents		
a) Balance with banks	108.82	167.03
b) Cash on hand	1.09	0.99
c) Cheques in hand (Since realised)	Nil	0.01
d) Balance with banks on unpaid dividend account*	0.59	0.71
Sub-Total	110.50	168.74
2) Other bank balances		
Balances with Bank held as margin money**	28.85	41.69
Total	139.35	210.43

* These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

** Includes ₹ 0.29 Cr. (₹ 0.95 Cr.) having maturity after 12 months.

2.18 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Deposits	10.04	10.03
Less: Provision for doubtful deposits	(2.52)	(0.44)
deposits (Net of provision)	7.52	9.59
Income Tax refund receivable (Refer Note No. 2.28.1)	0.34	42.27
Prepaid expenses	4.95	8.11
Input Tax Recoverable	11.35	20.29
Advance to suppliers	263.92	423.88
Less: Provision for doubtful advance to suppliers	(15.41)	(0.05)
Advance to suppliers (Net of provision)	248.51	423.83

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest receivable*	48.60	32.39
Loans and advances to employees	3.04	4.40
Less: Provision for doubtful loans & advances to employees	(0.79)	(0.74)
Loans & advances to employees (Net of provision)	2.25	3.66
Preference Share Application Money (Refer Note No. 2.18.1)	62.58	60.09
Others**	111.97	8.18
Total	498.07	608.41

* Includes ₹ 22.42 Cr. (Previous Year ₹ 5.92 Cr.) receivable from related party.

** Includes amount of ₹ 108.40 Cr. receivable from European Projects and Aviation Ltd. (EPAL) which was required to be paid during the year to Bankers of EPAL under Sponsor agreement / performance guarantee in connection with credit facilities provided to EPAL.

2.18.1 The Company's subsidiary had made application for subscription towards 5% redeemable preference shares of Global Infrastructure Services Limited of US\$ 1/- each amounting to US\$ 10 Mn. equivalent to ₹ 62.59 Cr. (Previous year US\$ 10 Mn. – equivalent to ₹ 60.09 Cr.) for which allotment is pending.

2.19 OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Unbilled Revenue	92.37	199.99
Receivable towards reimbursable of cost / expenses considered good	10.94	11.94
Less: Provision for receivable towards reimbursable of cost / expenses	(1.17)	(0.32)
Receivable towards reimbursable cost / expense (Net of provision)	9.77	11.62
Claims receivables – DF	254.59	Nil
Others	Nil	1.76
Total	356.73	213.37

2.19.1 During the year the Distribution Franchisee (DF) agreement between the Company and MSEDCCL got terminated. The reconciliation and settlement of several claims of the Company and MSEDCCL are under process. The assets relating to DF activity comprising of Plant and Equipments, trade receivables, inventory and unbilled amount to Consumers on the date of termination of Distribution Franchisee agreement will be adjusted against the amount due to MSEDCCL. Pending reconciliation of the claims and consequent adjustment thereof, these amounts are considered as "Claim Receivable – DF"

2.20 REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Sale of products		
Telecom products	244.24	269.14
Power management	Nil	10.71
Sale of services		
Telecom services	459.56	242.32
Power management services	Nil	20.55
Revenue from turnkey projects		
Telecom projects	12.66	52.80
Revenue from energy management business	1,077.06	1,022.60
Other operating revenues	0.04	Nil
Total	1,793.56	1,618.12

2.21 OTHER INCOME

(₹ in Crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Income:		
from Bank Deposits	3.43	2.80
from Others	22.10	11.15
Dividend on Non-trade investments	Nil	0.01

(₹ in Crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit on sale of current investments (Net)	7.54	20.60
Gain on Foreign currency transactions (Net)	26.29	19.39
Profit on sale of fixed assets (Net)	0.58	Nil
Lease and rent income	2.75	2.65
Other Non-operating income*	28.22	27.12
Total	90.91	83.72

* Other Non-operating income includes liabilities no longer payable written back of ₹ 20.81 Cr. (Previous Year ₹ 25.24 Cr.).

2.22 COST OF PURCHASES / SERVICES

(₹ in Crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Purchase of Stock in Trade		
Telecom Products	221.64	210.02
Power Management	Nil	5.61
Total of Purchase of Stock in Trade	221.64	215.63
Purchase of Material (Other than for trade) and Services		
Electricity, Diesel cost for Energy Management	891.43	769.06
Turnkey Projects	39.03	55.69
Sub-Contractor Charges	181.82	28.58
Vehicle Hire Charges – Projects	31.93	41.66
Total of Purchase of Material (Other than for trade) and Services	1,144.21	894.99
Total	1,365.85	1,110.62

2.23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Crores)

Particulars	For the year ended on March 31, 2015		For the year ended on March 31, 2014	
Inventories (at close)				
Work-in-progress	0.35		46.20	
Stock in trade	94.61		67.46	
Spares and consumables	3.30	98.26	8.32	121.98
Inventories (at commencement)				
Work-in-progress	46.20		46.95	
Stock in trade	67.46		330.12	
Spares and consumables	8.32	121.98	9.59	386.66
Less :				
Material return and provision	Nil		288.46	
Provision against spares and consumables	Nil	Nil	0.34	288.80
Total		23.72		(24.12)

2.24 EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries (Refer Note No. 2.24.1)	170.67	170.69
Contribution to Provident and other funds	5.49	3.74
Staff Welfare Expenses	8.65	9.99
Outsourced manpower cost	79.42	74.71
Total	264.23	259.13

2.24.1 Salaries and allowances include remuneration to whole time director, appointed during the year, of ₹ 0.04 Cr. which is subject to the approval of Central Government.

2.24.2 Disclosure of Employee Benefits as defined in Accounting Standard 15 "Employee Benefit":

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

(₹ in Crores)

Particulars	Gratuity				Compensated Absences			
	(Funded)		(Unfunded – International)		(Unfunded)		(Unfunded – International)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation at beginning of the period (A)	6.52	6.64	3.74	3.42	1.99	1.93	0.09	0.03
Current / past service cost (B)	0.75	0.75	3.14	2.28	0.36	0.35	Nil	0.07
Current interest cost (C)	0.61	0.54	Nil	Nil	0.19	0.16	Nil	Nil
Actuarial (gain) / loss (D)	1.14	(0.58)	Nil	Nil	0.09	0.28	Nil	Nil
Exchange variance (E)	Nil	Nil	0.17	0.34	Nil	Nil	0.01	0.01
Less : Benefits paid (F)	3.33	0.83	2.47	2.30	1.18	0.73	0.02	0.01
Defined benefit obligation at end of the period (A+B+C+D-E-F)	5.69	6.52	4.58	3.74	1.45	1.99	0.06	0.09

ii) Reconciliation of opening and closing balances of fair value of the Plan Assets

(₹ in Crores)

Particulars		Gratuity (Funded)	
		As at March 31, 2015	As at March 31, 2014
Fair Value of Plan Asset at beginning of period	(A)	6.51	3.96
Expected Return on Plan Assets	(B)	0.61	0.35
Actuarial gain / (loss)	(C)	(0.07)	0.07
Contributions	(D)	1.50	2.96
Less : Benefits paid	(E)	3.33	0.83
Less: Transfer Adjustment (Net)	(F)	0.02	0.00
Fair Value of Plan Asset at the end of period (A+B+C+D-E-F)		5.20	6.51

iii) Reconciliation of present value of obligations and fair value of Plan Assets

(₹ in Crores)

Particulars	Gratuity				Compensated Absences			
	(Funded)		(Unfunded–International)		(Unfunded)		(Unfunded–International)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Fair Value of Plan Asset at the end of Year	5.20	6.51	Nil	Nil	Nil	Nil	Nil	Nil
Present value of Defined Benefit Obligation at end of the Year	5.69	6.52	4.58	3.74	1.45	1.99	0.06	0.09
Liability / (Asset) recognised in the Balance Sheet	0.49	0.01	4.58	3.74	1.45	1.99	0.06	0.09

iv) Expense recognised during the year

(₹ in Crores)

		Gratuity				Compensated Absences			
		(Funded)		(Unfunded–International)		(Unfunded)		(Unfunded–International)	
		For the year ended on March 31, 2015	For the year ended on March 31, 2014	For the year ended on March 31, 2015	For the year ended on March 31, 2014	For the year ended on March 31, 2015	For the year ended on March 31, 2014	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Current Service Cost	(A)	0.75	0.75	3.14	2.28	0.36	0.35	Nil	0.07
Interest Cost	(B)	0.00	0.55	Nil	Nil	0.19	0.16	Nil	Nil
Expected Return on Plan Assets	(C)	Nil	(0.35)	Nil	Nil	Nil	Nil	Nil	Nil
Actuarial (gain) / loss	(D)	1.21	(0.64)	Nil	Nil	0.09	0.28	Nil	Nil
Net Cost recognised in Profit and Loss Account (A+B+C+D)		1.96	0.31	3.14	2.28	0.64	0.79	Nil	0.07

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

(₹ in Crores)

Gratuity (Funded)	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligation	5.69	6.53	6.64	6.77	6.23
Plan Assets	5.20	6.51	3.96	2.05	1.60
Surplus / (Deficit)	(0.49)	(0.02)	(2.68)	(4.72)	(4.62)
Experience adjustments on Plan Assets	(0.07)	0.07	0.06	(0.34)	(0.03)
Experience adjustments on Plan Liabilities	1.21	0.10	(0.41)	1.09	(0.10)

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

(₹ in Crores)

Compensated Absences (Unfunded)	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligations	1.45	1.99	1.93	2.59	2.62
Plan Assets	Nil	Nil	Nil	Nil	Nil
Surplus / (Deficit)	(1.45)	(1.99)	(1.93)	(2.59)	(2.62)
Experience adjustment on Plan Assets (Gain) / Loss	Nil	Nil	Nil	Nil	Nil
Experience Adjustment on Plan Liabilities (Gain) / Loss	0.06	0.47	(0.01)	1.14	(2.89)

Defined benefit obligations (Unfunded- International)	2014-15	2013-14	2012-13	2011-12	2010-11
Gratuity	4.58	3.74	3.42	3.03	1.85
Compensated Absences	0.06	0.09	0.03	0.03	0.23

vii) Assumptions used to determine defined benefit obligation

(₹ in Crores)

Particulars	Gratuity		Compensated Absences	
	(Funded)		(Unfunded)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Discount Rate (p.a.)	9.31%	9.31%	9.31%	9.31%
Estimated rate of return on Plan Assets (p.a.)	9.31%	9.31%	Nil	Nil
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.

2.25 FINANCE COSTS

(₹ in Crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest on borrowings	520.60	522.07
Less : Waiver of Interest	(37.27)	Nil
Other borrowing costs	6.61	19.72
Exchange difference to the extent considered as an adjustment to borrowing cost	28.19	40.62
Total	518.13	582.41

2.26 OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Consumption of Stores and Spares (Refer Note No. 2.26.1)	0.01	Nil
Communication Expenses	3.87	5.63
Advertisement Expenses	3.85	0.03
Business Promotion Expenses	6.08	5.70
Discounts and Remission	0.01	Nil
Freight Charges	0.00	0.01
Rates and Taxes [including Wealth tax]	2.81	0.61
Rent	7.80	8.24
Electricity Charges	2.60	2.45
Insurance	1.41	1.30
Legal and Professional Fees	15.84	14.40
Travelling and Conveyance Expenses	7.99	9.09
Director's Sitting Fees	0.04	0.04
Auditor's Remuneration	0.93	1.71
Repairs and Maintenance – Buildings	0.07	0.03
Repairs and Maintenance – Plant and Machinery	0.01	Nil
Repairs and Maintenance – Others	4.04	2.70
Bad Debts Written off	14.98	29.87
Provision Written back	(8.53)	(3.31)
	6.45	26.56
Provision for Doubtful Trade Receivables	172.82	4.58
Provision for Doubtful Receivables – Others (Net)	Nil	0.41
Provision for doubtful advances	69.35	Nil
Loss on sale of fixed assets (Net)	Nil	0.01
Other Expenses (Net)	60.33	(9.18)
Total	366.31	74.32

2.26.1 Details of Consumption of Stores and Spares

(₹ in Crores)

Particulars	Apr 14 – Mar 15		Apr 13 – Mar 14	
	Amount	%	Amount	%
Indigenous Goods	0.55	100%	1.11	100%
Imported Goods	Nil	Nil	Nil	Nil

2.27 EXCEPTIONAL ITEMS

(₹ in Crores)

Particulars	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Claim received from Aircel	345.00	
Less: Vendor Claims paid	(245.71)	
Net Claim	99.29	Nil
Remission of principal liability of ECB	42.49	Nil
Provision for :		
Doubtful advances to suppliers	(136.00)	
Diminution in value of investments	(45.00)	(181.00)
Accounting effect (net of tax) of re-statement of accounts of Company's international step down subsidiary		(26.65)
Total	(39.22)	(26.65)

- a. The Company was in negotiation with its customer, Aircel group of companies, for settlement of the disputes arising from cancellation / termination of certain commitments resulting in loss of business expansion opportunities for the Company and also its vendors. As a part of the settlement, the Company received an amount of ₹ 345.00 Cr. from Aircel group of companies which *inter-alia* includes the payment for settlement towards the vendors various claims of ₹ 245.72 Cr. The net amount of ₹ 99.28 Cr. is considered as Exceptional Item.
- b. The Company has settled part of its ECB liability during the year. The remission of liability against the said settlement of ₹ 42.49 Cr. is considered as Exceptional Item.
- c. The Company's associate, Chennai Network Infrastructure Limited, acquired tower portfolio of Aircel in the year 2010 with the commitment from Aircel to rollout 20,000 additional telecom sites. In turn, the Company was expecting revenue worth ₹ 17,100 Cr. Unfortunately, subsequently, Aircel cancelled / terminated its plan to expand 20,000 towers in July 2013. Consequently, the Company suffered huge losses due to loss of business opportunities and which also resulted in pile-up of inventory and suppliers advances. The Company is negotiating with suppliers for recovery of advances given and as prudent accounting practice has provided ₹ 136.00 Cr. doubtful of recovery and the said provision is included in Exceptional Items.
- d. During the year an assessment of carrying values of long term investments was carried out and amount of ₹ 45.00 Cr. has been provided for towards its diminution and the same is considered as an Exceptional Item.

2.28 TAX EXPENSE

(₹ in Crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Current Income Tax	6.12	(0.14)
Short Provision for Income tax for earlier years	Nil	25.18
Deferred taxes	9.35	4.21
Total	15.47	29.25

- 2.28.1 Provision of Income tax includes tax liability of ₹ Nil (₹ 25.57 Cr) towards tax liability determined for Assessment Years 2005-06 to 2012-13 upon conclusion of proceedings before Appropriate Statutory Authority.

2.29 DISCONTINUED OPERATIONS :

During the year, the DF agreement between the Company and MSedCL got terminated. The reconciliation and settlement of several claims of the Company and MSedCL are under process and appropriate effect in respect of the same will be given in financials on conclusion of the said process.

Pending reconciliation / settlement, as stated above, following are the disclosures as required by Accounting Standard (AS) 24 – Discontinued Operations

(₹ in Crores)

Particulars	For the year ended on March 31, 2015			For the year ended on March 31, 2014		
	Continuing Operations	Discontinued operations	Total	Continuing Operations	Discontinued operations	Total
Revenue from operations	1,793.56	702.37	2,495.93	1,618.13	1,014.91	2,633.04
Less: Excise Duty	Nil	Nil	Nil	Nil	Nil	Nil
	1,793.56	702.37	2,495.93	1,618.13	1,014.91	2,633.04
Other Income	90.91	0.33	91.24	83.72	0.08	83.80
Total Revenue	1,884.47	702.70	2,587.17	1,701.85	1,014.99	2,716.84
Expenses:						
Cost of Purchases/Services	1,365.85	774.69	2,140.54	1,110.62	1,002.08	2,112.70
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23.72	Nil	23.72	(24.12)	Nil	(24.12)
Employee benefits expenses	264.23	21.66	285.89	259.13	24.57	283.70
Finance Costs	518.13	2.66	520.79	582.41	0.26	582.67
Depreciation and amortization expense	138.09	1.90	139.99	126.12	0.60	126.72
Other expenses	366.31	45.38	411.69	74.32	41.79	116.11
Total Expenses	2,676.33	846.29	3,522.62	2,128.48	1,069.30	3,197.78
Profit / (Loss) before exceptional and extraordinary items and tax	(791.86)	(143.59)	(935.45)	(426.63)	(54.31)	(480.94)
Exceptional Items	(39.22)	(113.49)	(152.71)	(26.65)	Nil	(26.65)
Profit / (Loss) before tax	(831.08)	(257.08)	(1,088.16)	(453.28)	(54.31)	(507.59)
Tax expense:						
Current tax	6.12	Nil	6.12	(0.14)	Nil	(0.14)
Short Provision for Income Tax for earlier years	Nil	Nil		25.18	Nil	25.18
Deferred tax Liability / (Asset)	9.35	Nil	9.35	4.21	Nil	4.21
Profit / (Loss) from the year after Tax	(846.55)	(257.08)	(1,103.63)	(482.53)	(54.31)	(536.84)
Less : Minority Interest	0.55	Nil	0.55	0.34	Nil	0.34
Add : Share of Profit / (Loss) in associates	(11.81)	Nil	(11.81)	(24.89)	Nil	(24.89)
Profit/(Loss) For the year	(857.81)	(257.08)	(1,114.89)	(507.08)	(54.31)	(561.39)

As at March 31, 2015, the carrying amount of assets and liabilities pertaining to discontinued operations is ₹ 254.59 Cr. (Previous year ₹ 210.06 Cr.) and ₹ 213.03 Cr. (Previous year ₹ 37.34 Cr.) respectively.

The net cash flows attributable to the discontinued operations are stated below :

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Operating Activity	(107.32)	(149.79)
Investing Activity	(15.52)	(17.72)

2.30 CONTINGENT LIABILITIES & COMMITMENTS:

2.30.1 Contingent Liabilities

(₹ in Crores)

Sr. No	Particulars	As at March 31, 2015	As at March 31, 2014
i	Claims against the Company not acknowledged as debts*	321.43	231.56
ii	Put option by IFCL on optionally convertible loan of GRNL (including interest accrued thereon of ₹ 37.54)**	137.54	Nil
iii	Guarantees given by Banks on behalf of the Company	65.75	214.10
iv	Performance Guarantees issued to banks on behalf of Subsidiaries / Associates and Affiliates	5.00	5.00
v	Corporate Guarantees given by the Company for loans taken by subsidiaries / others	581.20	594.79
vi	Disputed Sales tax liabilities for which appeals are pending (Amount deposited ₹ 0.91 Cr. (₹ 0.57 Cr.))	11.44	10.28
vii	Disputed Income tax liabilities for which appeals are pending (Amount deposited ₹ Nil Cr. (₹ Nil Cr.))	12.02	Nil
viii	Dividend on 0.01% Non-Participative Optionally Convertible Cumulative Preference Shares	0.16	0.10
Future cash outflows in respect of the above matters are determinable only on receipt of judgments or decisions pending at various forum.			

*As on March 31, 2015, there were 52 cases against the Company, pending in various Courts and other Dispute Redressal Forums.

In 12 out of 52 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 12 cases.

Out of the balance 40 cases, 29 cases are from its earlier power business and 10 cases are from telecom related businesses which 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, highly exaggerated and without any basis and therefore the Company is resisting and defending these claims. The contingent liability of these 40 cases is ₹ 2.34 Cr.

NCD holder has filed winding up petition against the Company before Hon'ble High Court of Bombay on January 22, 2015 *inter-alia* claiming recovery of dues of ₹ 1,858.46 Cr. Contingent Liability of ₹ 98.09 Cr. represents difference between amount claimed by NCD holders and amount accounted by the Company in the books as on September 30, 2014 of ₹ 1,760.37 Cr. based on the amended terms on March 22, 2014. Presently the matter is *sub-judice*.

**Global Rural Netco Limited (GRNL) issued Fully convertible Debentures of ₹ 250 Cr. to IFCL Limited. Subsequently, in terms of the settlement between GRNL and IFCL on August 03, 2012, GRNL's loan of ₹ 250 Cr. reduced to Optionally Convertible Loan (OCL) of ₹ 100 Cr. In case the loan is not repaid / prepaid by GRNL or converted into equity shares of GRNL on or before March 31, 2015, IFCL has Put option and the Company has to purchase the said loan from IFCL so as to provide IFCL a YTM of 13.50% on loan amount from April 1, 2012 to March 31, 2015.

In April 2015, IFCL exercised its put option for OCL of ₹ 100 Cr. on the Company. Since GRNL has requested IFCL to defer the repayment date by further two years, which is under consideration of IFCL, the contingent liability shown against Put Option of IFCL comprises of unpaid principal OCL amount of ₹ 100 Cr. and unpaid interest thereon of ₹ 37.54 Cr. as at March 31, 2015 payable by GRNL.

2.30.2 Commitments

2.30.2.1 Estimated amount of contracts remaining to be executed

(₹ in Crores)

Particulars	As at March 31, 2015	As at March 31, 2014
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.)	1.24	7.86

2.30.2.2 Other Commitments

a) GTL Infrastructure Ltd (GIL) is an associate of the Company. The Company's equity shareholding in GIL, as at Balance Sheet date is 14.87% (14.99%). As a promoter of GIL, the Company has furnished following undertakings in respect of credit facilities of ₹ 2,004.45 Cr. (₹ 2,004.45 Cr.) then sanctioned by various lending institutions for GIL's second phase project of setting up of telecom sites.

- The Company along with Global Holding Corporation Private Limited (GHC), an associate shall not reduce the shareholding in GIL below 26%. The Company shall retain the management control of GIL.
- The Company shall bring or arrange Equity / Preference Capital as envisaged by Phase II lenders.
- 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.
- The Company shall ensure that GIL will not abandon the Project during the currency of Phase II loans.
- 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 equity shareholding in European Projects and Aviation Limited (EPAL) (Formerly known as Global Projects and Aviation Private Limited (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:

- The Company along with its associate Global Holding Corporation Private Limited (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.
- 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.
- 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) Chennai Network Infrastructure Limited (CNIL) is an associate of the Company. The Company's equity shareholding as at March 31, 2015 is 25.79% (25.79%). As sponsors to CNIL, the Company along with its associates Global Holding Corporation Private Limited and GTL Infrastructure Limited 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.

d) The CDR lenders of the Company have right to re-compensate in respect of relief extended and sacrifices made by them of ₹ 555.87 Cr. as per Master Restructuring Agreement (MRA). Such right is exercisable by CDR lenders based on criteria's / conditions as detailed in MRA.

2.31 RELATED PARTY DISCLOSURES

2.31.1 Related Parties

I Associates

- GTL Infrastructure Limited
- Global Rural Netco Pvt. Ltd.
- Chennai Network Infrastructure Ltd.
- Global Holding Corporation Private Limited

II Key Managerial Personnel

- Mr. Manoj Tirodkar, Chairman and Managing Director
- Mr. Arun Prabhukhanolkar – WTD (Up to December 16, 2014)
- Mr. Sunil S. Valavalkar – WTD (W.e.f December 16, 2014)
- Mr. Vidyadhar Apte, Company Secretary
- Mr. Milind Bapat, Chief Financial Officer

2.31.2. TRANSACTION WITH RELATED PARTY

(₹ in Crores)

Sr. no.	Party Name	Transaction during the year April 2014 to March 2015							Closing Balance as on 31-Mar-2015							
		Sales & Reimbursement Expenses from	Reimbursement Expenses to	Interest Income	Rent received	Purchase of Fixed Assets	Sale of Fixed Assets	Salaries and Allowances	Contribution to Provident and Other Funds	Deposit Received	Receivable towards Bank claim paid by the Company	Receivables	Reimbursable cost / expense	Advance received / Accrued Receivables	Provision towards EB	Payables (incl. Advance received)
1	Associates															
1a	GTL Infrastructure Limited	354.69 (327.71)	0.72 (25.28)	152.64 (138.37)	NIL (2.39)	2.54 (NIL)	0.14 (0.08)	NA (NA)	NA (NA)	2.16 (2.16)	NIL (NIL)	7.63 (27.91)	1.07 (0.43)	28.13 (41.42)	14.08 (11.10)	0.37 (1.70)
1b	Global Rural Netco Pvt. Ltd.	0.16 (0.98)	0.32 (0.33)	1.62 (0.55)	0.19 (5.92)	NIL (6.50)	NIL (NIL)	NA (NA)	NA (NA)	NIL (NIL)	NIL (NIL)	5.13 (4.99)	2.11 (7.78)	22.42 (5.92)	NIL (NIL)	NIL (NIL)
1c	Chennai Network Infrastructure Ltd.	412.57 (287.48)	0.71 (47.29)	261.09 (236.85)	NIL (0.01)	0.01 (NIL)	0.21 (0.34)	NA (NA)	NA (NA)	NIL (NIL)	NIL (NIL)	16.96 (15.42)	0.01 (0.03)	21.65 (53.50)	27.40 (20.10)	0.52 (2.09)
1d	Global Holding Corporation Private Limited	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (0.25)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	TOTAL	767.42	1.75	415.35	2.74	NIL	0.35	NA	NA	2.16	NIL	29.72	3.19	72.20	41.48	0.89
2	Key Managerial Personnel															
2a	Mr. Manoj Tirotkar	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.34 (0.27)	0.02 (0.01)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2b	Mr. Arun Prabhukhanolkar	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.37 (0.77)	0.02 (0.01)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2c	Mr. Sunil S. Valavalkar	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.04 (NA)	0.00 (NA)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2d	Mr. Vidyadhar Apte	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.95 (0.68)	0.02 (0.02)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2e	Mr. Milind Bapat	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	1.15 (0.66)	0.02 (0.02)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	TOTAL	NIL	NIL	NIL	NIL	NIL	NIL	2.84	0.08	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Claim of ₹ 179 Cr. (PY of ₹ 179 Cr.) of Global Holding Corporation Private Limited an Associate not acknowledged as debt is included in Contingent liability.

Provision for contribution to Gratuity fund and Leave encashment on retirement which are made based on actuarial valuation on an overall Company basis are not included in remuneration details of key managerial personnel

2.31.3. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises Consolidated as Subsidiary and Associates.

(₹ in Crores)

Name of the entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
1	2	3	4	5
Parent				
GTL Limited (A)	-39.94%	26.51	71.87%	(801.29)
Subsidiaries				
Indian				
ADA Cellworks Wireless Engineering Pvt. Ltd. (B)	11.95%	(7.93)	1.64%	(18.33)
Foreign				
International Global Tele-Systems Ltd.	123.17%	(81.75)	16.74%	(186.59)
GTL International Ltd.	5.15%	(3.42)	8.74%	(97.42)
Total of International Subsidiaries (C)	128.32%	(85.17)	25.48%	(284.01)
Total of Subsidiaries D = (B+C)	140.27%	(93.10)	27.12%	(302.34)
Minority Interest of subsidiaries				
GTL Saudi Arabia Company Ltd. (F)	-0.33%	0.22	-0.05%	0.55
Share of Loss Associate			1.06%	(11.81)
Total Consolidated Assets minus liabilities (G) = A+D+F		(66.37)		(1,114.89)

Minority Interests in all Associates	Percentage	Investment Amount	Basis of Accounting of Investment
Indian			
GTL Infrastructure Limited	-862.30%	572.33	As per AS-13
Chennai Network Infrastructure Limited	-2467.12%	1,637.48	As per AS-13
Global Rural Netco Limited	-26.56%	17.63	Equity Method

2.31.4. Salient features of Financial Statements of Subsidiary and Associates as per Companies Act, 2013 Part "A": Subsidiaries

(₹ in Crores)

Sr. No.	Name of the Subsidiary Company	Curr.	Exchange Rate Balance Sheet	Exchange Rate Profit and Loss	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed / Interim Dividend	% of Shareholding
A	International Global Tele-Systems Ltd.	US\$	61,450	63,310	440.98	151.95	1,177.90	1,177.90	122.90	—	(186.06)	—	(186.06)	—	100%
B	GTL International Ltd.	US\$	61,450	63,310	49.16	19.20	467.68	467.68	—	8.61	(176.34)	—	(176.34)	—	100%
B.1	GTL (Singapore) Pte Ltd.	US\$	61,450	63,310	1.85	6.22	10.09	10.09	—	0.54	9.44	—	9.44	31.66	100%
B.2	GTL Saudi Arabia Company Ltd.	SAR	16,390	16,880	3.28	0.22	45.13	45.13	—	27.26	(3.40)	—	(3.40)	—	90%
B.3	GTL Overseas Middle East FZ-LLC	AED	16,840	17,340	0.84	80.59	81.46	81.46	—	4.21	(4.43)	—	(4.43)	—	100%
B.4	GTL International Nigeria Ltd.	US\$	61,450	63,310	0.48	(8.58)	(7.97)	(7.97)	—	—	(0.61)	0.01	(0.62)	—	100%
B.5	Pt. GTL Indonesia	IDR	0.005	0.005	0.80	(2.96)	—	—	—	0.69	27.28	—	27.28	—	100%
B.6	GTL Europe Ltd.	GBP	99,330	98,530	4.97	9.02	68.45	68.45	—	150.42	10.23	1.77	8.46	—	100%
B.7	GTL Overseas (Middle East) JLT	AED	16,840	17,340	0.08	(16.33)	24.67	24.67	—	8.36	(16.81)	—	(16.81)	—	100%
B.8	IGTL Network Services Philippines Inc.	PHP	1,380	1,420	0.07	(0.12)	2.94	2.94	—	6.54	(0.94)	(0.18)	(0.76)	—	100%
B.9	GTL USA Inc.	US\$	61,450	63,310	19.05	(44.64)	81.13	81.13	—	113.59	(11.90)	(4.18)	(7.72)	—	100%
B.10	GTL International Lanka (Private) Ltd.	SLR	0.470	0.480	0.23	(2.27)	2.00	2.00	—	1.26	(0.68)	—	(0.68)	—	100%
B.11	GTL International Bangladesh Pvt. Ltd.	BDT	0.800	0.830	0.29	(7.82)	10.24	10.24	—	0.67	(3.42)	—	(4.15)	—	100%
B.12	GTL Kenya Ltd.	KES	0.690	0.710	0.01	0.77	1.53	1.53	—	2.50	(1.68)	0.08	(1.76)	—	100%
B.13	GTL Tanzania Ltd.	TSH	0.040	0.040	0.00	0.37	0.50	0.50	—	0.77	0.15	0.12	0.03	—	100%
B.14	GTL Nepal Pvt. Ltd.	NPR	0.610	0.628	1.19	18.01	52.48	52.48	—	73.75	16.95	4.23	12.73	—	100%
B.15	IGTL Myanmar Limited	MMK	0.061	0.062	0.30	1.47	3.90	3.90	—	6.01	2.01	0.50	1.51	—	100%
B.16	GTL Network Services Malaysia Sdn. Bhd.	MYR	17,570	18,100	1.11	27.71	41.78	41.78	—	—	22.97	—	22.97	—	100%
B.17	GTL China Corporation Ltd.	RMB	10,010	10,310	1.24	(1.16)	0.08	0.08	—	—	(0.21)	—	(0.21)	—	100%
C	ADA Cellworks Wireless Engineering Pvt. Ltd.	INR	1,000	1,000	0.09	1.55	1.97	1.97	—	1.03	(22.09)	(0.12)	(22.21)	—	100%

Names of Subsidiaries which have been liquidated or closed during the year

Sr. No.	Name of the Companies
1	GTL Network Services SA Pty Limited
2	GTL Taiwan Co. Ltd.

2.31.4.1 The Company's step-down subsidiary, GTL (USA) Inc., wholly owned subsidiary of GTL International Limited, has filed a petition for protection from its creditors under Chapter 11 of US Bankruptcy Code on February 9, 2015. The resolution of bankruptcy is subject to uncertainties, the outcome of which is presently unknown.

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies.

(₹ in Crores)

Sr. No.	Name of Associates	Latest audited Balance Sheet date	Shares of Associates held by the Company on the year end			Net worth Attributable to shareholding as per latest audited Balance Sheet (₹ in Crores)	Profit / (Loss) for the year		Description of how there is significant influence	Reason why the Associates is not Consolidated
			No.	Amount of Investment in Associates (₹ in Crores)	Extent of Holding %		Considered in Consolidation (₹ in Crores)	Not Considered in Consolidation		
1	GTL Infrastructure Limited	31-Mar-14	345,763,466	591.55	14.87%	152.50	Nil	(61.63)	Note – A	Note – C
2	Global Rural Netco Pvt. Ltd	31-Mar-14	75,000,000	75.00	42.86%	115.16	(11.81)	Nil	Note – B	N.A.
3	Chemical Network Infrastructure Ltd.	31-Mar-15	1,700,742,399	1,637.48	25.79%	640.88	Nil	(171.59)	Note – B	Note – C

Note:

- In earlier years, the Company's holding in GTL Infrastructure Limited (GIL) was more than 20% and on account of percentage holding, GIL became Company's Associates and continues to be as associate.
- There is significant influence due to percentage (%) of Share Capital
- Share of loss in associates viz GTL Infrastructure Limited and Chemical Infrastructure Limited is not considered in view of severe long term restrictions significantly impairing ability of the associate to transfer any funds to the Company as envisaged by AS-23 para 7(b); refer note No. 2.11.3

2.32 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

Investments made are given under the respective heads. No Loans have been given except loan to employee.

Details of Corporate Guarantees given by the Company in respect of loans taken by the subsidiaries and Other Body Corporate.

(₹ in Crores)

Sr No.	Name of the Company	As at March 31, 2015	As at March 31, 2014
1	Subsidiaries	166.82	169.79
2	Other Body Corporate	425.00	425.00

2.33 EARNINGS PER SHARE

₹ in Crores (other than No. of Shares & EPS)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
BASIC EARNINGS PER SHARE		
Numerator for basic earnings per share		
Loss after exceptional but before Tax & extra-ordinary items	(1,088.16)	(507.59)
Add :		
Dividend payable on Cumulative Preference Shares	(0.16)	(0.10)
Tax on Cumulative Preference Dividend payable	(0.03)	Nil
Provision for Income Tax, Deferred Tax & FBT	(15.47)	(29.25)
Minority Interest	0.55	0.34
Share of Profit / (Loss) in associates	(11.81)	(24.89)
Net Loss after Tax but before extra-ordinary items (a)	(1,115.08)	(561.49)
Net Loss after tax & extra-ordinary items (b)	(1,115.08)	(561.49)
Denominator for basic earnings per share –		
Weighted average number of shares (c)	157,296,781	157,293,994
Basic and Diluted earnings per share before extra-ordinary Items d = (a/c)	(70.89)	(35.70)
Basic and Diluted earnings per share after extra-ordinary Items	(70.89)	(35.70)

2.34 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 North 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	2014–2015	2013–2014
Segment Revenue		
1. Network Services	1,780.91	1,534.06
2. Power Management	715.02	1,098.98
Total Segment Revenue	2,495.93	2,633.04
Segment Results (Profit Before Interest And Tax)		
1. Network Services	(271.66)	123.08
2. Power Management	(193.07)	(68.19)
Sub–Total	(464.73)	54.89
Less: Interest Expenses (Net–off Interest Income)	520.79	582.68
Less: Un–allocable Corporate Expenditure net of income	(50.08)	(46.85)
Profit / (Loss) before Tax and exceptional items	(935.44)	(480.94)
Exceptional items	(152.72)	(26.65)
Profit / (Loss) after exceptional items before tax	(1,088.16)	(507.59)
Less : Tax Expenses	(15.47)	(29.25)
Profit / (Loss) after tax	(1,103.63)	(536.84)
Capital Employed (Segment Assets Less Segment Liabilities)		
1. Network Services	2,362.09	3,172.72
2. Power Management	89.92	262.03
Total Capital Employed in the segments	2,452.01	3,434.75
Un–allocable Corporate Assets Less Liabilities:		
– Investments	3,166.96	3,244.82
– Other Than Investment	552.26	551.58
Total Capital Employed	6,171.22	7,231.15

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.
- iii 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	Other	Total
Sales & Services (Apr’14 to Mar 15)	106.20	2,337.12	51.79	0.82	2,495.93
Sales & Services (Apr’13 to Mar 14)	124.89	2,442.04	53.46	12.65	2,633.04

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, 2015	As at March 31, 2014
2.25	Freight Charges	29,450	N.A.
2.25	Repairs and Maintenance – Plant and Machinery	N.A.	47,829

2.35 GOING CONCERN

The Group's business activities comprise of two segments viz. "Network Services" and "Power Management".

The Power Management segment has been substantially affected by the losses plagued by Discoms and their restructure and the reduction in tariffs by various State Governments and also termination of Distribution Franchisee (DF) agreement during the third quarter of FY 2014–15 by the Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of certain contractual issues. The Network services segment continues to be impacted by cancellation of 2G licenses, Aircel group's suspension of ROFR commitments / tenancy commitments, and suspension of BSNL expansion. Thus, in view of overall set-back in Company's business operations, cash losses have been incurred which has resulted in full erosion of the Company's entire net worth. The Company's current liabilities are more than its current assets. This has resulted in over dues to various sets of lenders.

Though the debts of the Company with its banks have been restructured under Corporate Debt Restructure

Scheme (CDR) w.e.f July 2011, certain inter-creditors issues have caused delay in restructuring of both ECB and NCD facilities

The above has resulted in legal proceedings being initiated by some of the ECB lenders and NCD Holder. The CDR and ECB lenders have intervened in the winding up proceedings filed by the NCD Holder in Bombay High Court and currently the same is *sub-judice*.

These events or conditions may cast doubts on the Group's ability to continue as a going concern.

However the management is of the firm view that such events or conditions can be mitigated by the One Time Settlement plan (OTS) for settlement of the outstanding debts of all lenders including CDR, ECB and NCD by sale of its business division/s and assets and investments. The proposal is being considered by the CDR lender forum.

The Management is of view that the Company's above proposal / plans will be considered favourably, upon which the doubt on Company's inability to repay and meet its debt / liabilities would cease to exist and the Company, which has been in service industry since its inception, would be in a position to continue with the business operations.

On detailed evaluation of the current proposal / plans, it is believed that the Group will realise its assets and discharge its liabilities in the normal course of business and continue its operations. Accordingly, the financial statements have been prepared on the basis that the Company is a going concern and no adjustments are required in the carrying value of assets and liabilities.

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

2.37 Figures in brackets relate to the previous year unless otherwise stated.

As per our attached report of even date

For **M/s Godbole Bhawe & Co.** For **M/s Yeolekar & Associates**
Chartered Accountants Chartered Accountants
FRN No.114445W FRN No.102489W

M.V. Bhawe
Partner
Membership No. 38812
Place : Mumbai
Date : May 05, 2015

S.S. Yeolekar
Partner
Membership No. 36398

For and on behalf of the Board
Manoj G. Tirodgar
Chairman & Managing Director

Sunil S. Valavalkar **Vijay Vij**
Whole-time Director Director

Milind Bapat **Vidyadhar Apte**
Chief Financial Officer Company Secretary

NOTICE FOR AGM

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of GTL Limited will be held on Wednesday, September 23, 2015, at 11:00 a.m. at Marathi Sahitya, Sanskriti & Kala Mandal, Sahitya Mandir Hall, Near Navi Mumbai Sports Association, Sector 6, Vashi, Navi Mumbai 400703, Maharashtra, to transact the following business:

Ordinary Business

1. To consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Auditors thereon.

2. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary resolution**:

“RESOLVED that, pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the Audit Committee of the Board of Directors and further to the resolution passed by the members in the 26th Annual General Meeting (AGM) held on September 16, 2014, the appointment of M/s. Godbole Bhawe & Co., Chartered Accountants, Mumbai (Firm Registration No.114445W) and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai (Firm Registration No. 102489W) as the Joint Auditors of the Company to hold the office from the conclusion of this AGM till the conclusion of the Twenty Ninth AGM to be held in the calendar year 2017, be and is hereby ratified and the Board be and is hereby authorized to fix the remuneration payable to the Joint Auditors for the Financial Year 2015–16, as may be recommended by the Audit Committee in consultation with the Joint Auditors.”

Special Business

3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED that Mr. Sunil Sadanand Valavalkar (DIN: 01799698), who was appointed an Additional Director of the Company by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 (“the Act”) 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 160 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.”

4. 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 Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [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, consent of the members be and is hereby accorded for appointment of Mr. Sunil Sadanand Valavalkar (DIN: 01799698) as a Whole-time Director of the Company, with effect from December 16, 2014 for a period of three years i.e. up to December 15, 2017, as approved by the Board of Directors by way of passing resolution by circulation on December 19, 2014 which was noted in the Board Meeting held on February 5, 2015, 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. Sunil S. Valavalkar within and in accordance with and subject to the limits prescribed in Schedule V 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. Sunil S. Valavalkar.

RESOLVED FURTHER that notwithstanding anything hereinabove stated where in any financial year, during the currency of the term of Mr. Sunil S. Valavalkar 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) notwithstanding that the same may exceed the ceiling limit laid down in Sections 197 and Schedule V to the Act, subject to approval of the members or Central Government, if required.

RESOLVED FURTHER that the Board be and is hereby authorized 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.”

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED that Mrs. Siddhi Mandar Thakur (DIN:07142250), who was appointed an Additional Director of the Company by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 (‘the Act’) 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 160 of the Act in writing from a member proposing her candidature for the office of Director, be and is hereby appointed a Director of the Company.”

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification and re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Siddhi Mandar Thakur (DIN:07142250), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed an Independent Director of the Company with effect from March 31, 2015 up to March 31, 2018.”

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 Clause 49 (VII)(E) and other applicable clauses, if any, of the Listing Agreement, consent of the members be and is hereby accorded for undertaking material Related Party Transactions with GTL Infrastructure Limited, as disclosed in the Explanatory Statement.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board [hereinafter referred to as the “Board”, which term shall include any Committee(s) constituted / to be constituted by the Board to exercise the powers conferred on the Board by this Resolution] 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

this regard and further authorised to execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit.”

8. 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 Clause 49 (VII)(E) and other applicable clauses, if any, of the Listing Agreement, consent of the members be and is hereby accorded for undertaking material Related Party Transactions with Chennai Network Infrastructure Limited, as disclosed in the Explanatory Statement.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board [hereinafter referred to as the “Board”, which term shall include any Committee(s) constituted / to be constituted by the Board to exercise the powers conferred on the Board by this Resolution] 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 this regard 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,

Place: Mumbai
Date: May 5, 2015

Vidyadhar A. Apte
Company Secretary

Registered Office:

GTL Limited
“Global Vision”, Electronic Sadan No. II,
M.I.D.C., T.T.C. Industrial Area,
Mahape, Navi Mumbai – 400710. Maharashtra, India.

Tel: +91-22-27612929 Extn Nos.: 2232-2235

Fax: +91-22-2768 0171

E-mail: gtlshares@gtllimited.com

Website: www.gtllimited.com

CIN: L40300MH1987PLC045657

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.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights:

Provided that a member holding more than ten percent, of the total share capital of the Company

carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

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 102 of the Companies Act, 2013, in respect of business under Item Nos. 3 to 8 to be transacted at the 27th Annual General Meeting is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will be closed on Wednesday, September 23, 2015 for the purpose of Annual General Meeting.
5. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred unclaimed dividends up to the Financial Year (FY) 2006–07 to the Investor Education and Protection Fund (IEPF). All unclaimed dividend for the FY 2007–08 will be transferred to the IEPF in August 2015. The Company has sent reminders to shareholders who have not claimed Dividend for FY 2007–08 or the same is still unpaid and has also issued Demand Drafts / Pay Orders to the shareholders who have responded.

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. The members who have not received / claimed their dividend for FYs 2008–09 and 2009–10 may claim it from the Company sufficiently in advance.

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 16, 2014 (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 – 400710. 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. Notice is being sent to all Members whose names would appear in the Register of Members as on Friday, August 14, 2015 and Directors and Auditors of the Company through email / courier / post.
9. The Company's Equity Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Further, the Listing Fees in respect of shares of the Company have been paid to BSE and NSE for the FY 2015–16.

Privately placed Rated Redeemable Unsecured Rupee Non-Convertible Debentures (NCDs) issued by the Company in February 2010 are listed with BSE under the Debt Segment. In view of pending restructuring of NCDs, currently, the same are suspended for trading as the formalities for listing of restructured NCDs are pending due to documentation.

10. Members are requested to forward their queries on Financial Statements or other Sections of the Annual Report to the Company Secretary at least 10 days in advance for enabling it to furnish appropriate details.
11. 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
12. Members are requested to bring their copy of the Annual Report to the Meeting.
13. In keeping with the provisions of the Companies Act, 2013, the Listing Agreement with Stock Exchanges, for the purpose of sending Notices and other documents to its members through electronic mode to the email address furnished to the Company / Depositories, members who have so far not provided their email addresses to the Company (for holdings in physical form) or the Depositories (for holdings in electronic form) are requested to provide the same to the Company / Depository Participant respectively, in support of this initiative and for savings on paper / printing & postage cost. Members are further requested to note that they shall be entitled to be furnished free of cost with a physical copy of such documents sent by email upon receipt of a requisition from such members.

14. Voting through electronic means: (EVS: 150813026]

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide its members the facility to exercise their right to vote for the 27th Annual General Meeting (AGM) by electronic means (remote e-voting). The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating the e-voting. The process for remote e-voting is appended hereto.

15. Voting through Postal Ballot for General Meeting Resolutions:

Members who do not have access to remote e-voting facility may send duly completed ballot form annexed hereto, so as to reach the scrutinizer appointed by the Board of Directors of the Company, Mr. Virendra G. Bhatt, Practicing Company Secretary at the Registered Office of the Company, not later than Tuesday, September 22, 2015 up to 05:00 PM IST. Any person who becomes a member of the Company after dispatch of the Notice of this meeting and holding shares as on the cut-off date viz. Friday, September 18, 2015 has the option to download the Postal Ballot Form for the Annual General Meeting from the link www.evotingindia.com or www.gtllimited.com or seek duplicate Postal Ballot form from the Registered Office of the Company. Postal Ballot form received after Tuesday, September 22, 2015 (05:00 PM IST) will be treated as invalid. A member can opt for only one mode of voting i.e. either through remote e-voting or by ballot. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and the ballot form shall be treated as invalid.

The instructions for shareholders voting electronically (remote e-voting) are as under:

- The voting period begins on Saturday, September 19, 2015 at 09:00 AM and ends on Tuesday, September 22, 2015 at 05:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, September 18, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant may enter the AGM Voting Serial No. (AVSR) in the PAN field. The AVSR is printed in the Ballot Form for shareholders receiving the communication in physical form and also in the email for shareholders receiving this communication electronically.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the 16 digit Demat A/c No. / Folio Number in the Dividend Bank details field as mentioned in instruction (v).

- After entering these details appropriately, click on "SUBMIT" tab.

- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN of "GTL LIMITED" which is 150813026 on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
16. The Company has appointed Mr. Virendra G. Bhatt, a practicing Company Secretary, as the Scrutinizer for conducting the entire remote e-voting / ballot process in a fair and transparent manner.
17. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
18. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.
19. The results declared along with the Scrutinizer's Report will be hosted on the Company's website at www.gtlindia.com and on CDSL's website at www.evotingindia.com for information of the Members, besides being communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013
Item Nos. 3 & 4**

Subsequent to the relinquishment of the Board position by Mr. Arun Prabhukhanolkar as a Whole-time Director and also as Director, the management felt the need for appointing a person to replace Mr. Prabhukhanolkar and accordingly, the Nomination & Remuneration Committee of the Board and the Board of Directors of the Company in its meeting held on December 16, 2014 and February 5, 2015 considered it appropriate to appoint Mr. Sunil Sadanand Valavalkar as an Additional Director and Whole-time Director for a period of 3 years w.e.f. December 16, 2014 on such remuneration and perquisites as detailed below. The Company has received notice in writing along with the necessary amount as deposit from a member proposing candidature of Mr. Valavalkar in terms of Section 160 of the Companies Act, 2013.

The salient features of the terms and conditions of appointment of Mr. Sunil Sadanand Valavalkar are as follows:

Sr.	Terms & Conditions	Mr. Sunil Sadanand Valavalkar	
1.	Period	The appointment is effective from December 16, 2014 for a period of three years i.e. up to December 15, 2017.	
2.	Remuneration	Salary Basic	: ₹ 55,000/- p.m. (₹ 50,000 – 5,000 – ₹ 100,000)
		HRA	: ₹ 2,755/- p.m. (5% of Basic)
		Education Allowance	: ₹ 500/- p.m.
		Transport Allowance	: ₹ 800/- p.m.
		Flexi Benefit Plan	: ₹ 44,629/- p.m. (up to 125% of Basic)
		Provident Fund	: ₹ 6,612/- p.m. (12% of Basic)
		Gratuity	: ₹ 2,204/- p.m. (4% of Basic)
		Variable Pay	: ₹ 12,500/- 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	: Such sum per annum depending upon the profitability of the Company and the performance of the appointee, 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 V of the Companies Act, 2013 (the Act)).
3.	Minimum Remuneration	Where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the appointees shall be paid the aforesaid remuneration as "Minimum Remuneration" in the respective financial year(s) notwithstanding that the same may exceed the ceiling limit laid down under Section 197 and Schedule V to the Act, subject to the approval of the members of the Company and / or the Central Government as the case may be, if required.	
4.	Modification in terms	The terms and conditions of appointment 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 V 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 appointee subject to such approvals from the members of the Company and/or the Central Government as may be required.	
5.	Termination	The agreement may be terminated by either party by giving three months notice or the Company paying three months remuneration in lieu of the notice.	
6.	Inspection	The Agreement entered into between the Company and appointee is 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 Paragraph (1) of section II of Part II of Schedule V to the Act, the information is as furnished below:

Sr.	Particulars	Information
I	General Information	
	Nature of Industry	GTL, a Global Group Enterprise, is a diversified technology and infrastructure services company focused on Telecom. It provides Network Service solutions to telecom operators, OEMs & Tower Companies.
	Date or expected date of commencement of commercial production.	The Company is an existing Company and carrying out business for last about 27 years.

Sr.	Particulars	Information		
	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		
	Financial Performance based on given indicators		Amt. ₹ in Crore	
		March 31, 2015	March 31, 2014	March 31, 2013
	Share Capital			
	Equity	157.30	157.30	156.96
	Preference	650.00	650.00	650.00
	Reserves & Surplus	(780.79)	20.50	489.69
	Total Income*	2151.34	2,338.22	2,213.26
	Profit Before Tax*	(801.29)	(444.59)	(519.00)
	Profit After Tax*	(801.29)	(469.77)	(519.37)
		*Continuing and discontinued business operations		
	Foreign Investment or collaborators, if any.	Not Applicable		

II Information about the Appointee

1. Background details	Mr. Sunil Sadanand Valavalkar is a Commerce Graduate of the University of Mumbai and also holds a certificate in Marathi Journalism. He has over 30 years of work experience, of which he was associated with General Insurance Corporation of India for about 25 years and has also been associated with State Bank of Bikaner & Jaipur, Air India and HDFC. During his association with the Company since August 2010, he has handled various assignments <i>inter-alia</i> in public relations, media contacts, Government liaison, Corporate Social Responsibility etc.
2. Past Remuneration	Mr. Sunil Valavalkar was appointed as AVP – Corporate Relations since August 16, 2010 and his last remuneration drawn was ₹ 0.12 Cr. p.a.
3. Recognition or awards	None
4. Job profile & his suitability	As Whole–time Director, he will be supporting the Chairman & Managing Director in the day to day functioning

Sr.	Particulars	Information
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. Valavalkar for the period of his 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 Cr. per annum.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr. Valavalkar does not have any pecuniary relationship, directly or indirectly with the Company or with any key managerial personnel nor does he have 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.	<p>Key concerns for Telecom Sector:</p> <p>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.</p> <p>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.</p> <p>The Indian economy is experiencing turbulences for past about four 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</p>
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Sr.	Particulars	Information
		<p>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.</p> <p>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.</p> <p>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.</p>
2.	Steps taken or proposed to be taken for improvement	<p>Focus on Cost: Looking at the external environment, the Company has already initiated several measures across administration, 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.</p> <p>Monetizing Investments: Currently both the capital markets and telecom sector in India are going through a rough phase, we believe we can monetize our core / non-core assets including current assets and investments in telecom tower sector over a period of 1-2 years to reduce our debt.</p>
3.	Expected increase in productivity and profits in measurable terms	<p>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.</p> <p>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.</p> <p>Infrastructure status has been granted to telecom tower companies. This is likely to provide multiple benefits to the tower industry, <i>inter-alia</i>, 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'.</p> <p>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.</p> <p>The Company is looking forward to grab opportunities for Network Deployment Operations & Maintenance Services in 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.</p> <p>If the Company is able to infuse liquidity by way of capital infusion, it can bag a few more projects in telecom space that shall be beneficial to the Company in the long run to add to their revenues and increase its profit margins.</p> <p>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.</p> <p>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.</p>

Sr.	Particulars	Information
IV	Disclosures	<p>The shareholders of the Company have been informed of the proposed remuneration package of Mr. Valavalkar in the explanatory statement for resolution Nos. 3 & 4 of the Notice of 27th Annual General Meeting.</p> <p>Disclosure on all elements of remuneration package of all the Directors of the Company including details of Stock Options, if any, issued by the Company, pension etc. 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 2014–15</p>

The Board commends passing of the resolutions set out at Item Nos. 3 & 4 of the accompanying Notice.

Except Mr. Sunil S. Valavalkar, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in anyway, concerned or interested, financially or otherwise, in these Resolutions.

Item Nos. 5 & 6

In order to comply with the provisions of Section 149 of the Companies Act, 2013 (the Act) and Clause 49 of the Listing Agreement in respect of appointment of at least one woman director on the board on or before March 31, 2015, the Board of Directors by way of passing resolution by circulation on March 30, 2015, appointed Mrs. Siddhi Mandar Thakur as an Additional Director of the Company, which was noted in the Board Meeting held on May 5, 2015. The said appointment was in pursuance of the provisions of Section 161 of the Act and Article 130 of the Articles of Association of the Company. Accordingly, Ms. Thakur holds office only up to the date of the 27th Annual General Meeting. The Company has received notice in writing along with the necessary amount as deposit from member proposing candidature of Ms. Thakur in terms of Section 160 of the Act.

Pursuant to the provisions of Section 149 of the Act that has come into effect from April 1, 2014, every listed company is required to have at least 1/3rd of the total number of directors as Independent Directors, who are not liable to retire by rotation.

The Nomination and Remuneration Committee has recommended the appointment of Ms. Thakur as an Independent Director from March 31, 2015 up to March 31, 2018.

Ms. Thakur, Non-Executive Director of the Company has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Ms. Thakur fulfills the conditions specified in the Act and the Rules framed there under for appointment as an Independent Director and she is independent of the management.

Brief resume of Ms. Thakur, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the Corporate Governance Report forming part of the Annual Report.

The terms and conditions of appointment of Ms. Thakur is available for inspection by members 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.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Ms. Thakur is concerned or interested in the resolutions set out respectively at Item Nos. 5 & 6 of the Notice with regard to her appointments.

The Board commends passing of the resolutions set out at Item Nos. 5 & 6 of the accompanying Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in anyway, concerned or interested, financially or otherwise, in these Resolutions.

Item Nos. 7 & 8

The Company is engaged in providing turnkey services in Telecom space. In the course of undertaking these businesses, the Company is rendering services to many telecom operators and passive infrastructure telecom companies, of which few companies are related parties and these transactions, are categorized as Related Party Transactions.

The provisions of Clause 49(VII) (E) of the Listing Agreement provide for undertaking material Related Party Transactions by the Company with the approval of the shareholders by way of passing of a special resolution.

We furnish herein below material Related Party Transactions:

Name of Related Party	Name of the Director or KMP who is related	Nature of relationship	Nature, material terms, monetary value and particulars of the contract or arrangement of transaction	Justification for transactions
GTL Infrastructure Limited (GIL)	N.A	Associate	Energy Management Agreement Provision of Power (Electricity) and Fuel under Fixed Energy Management Services Contract Contract Validity – Multiyear (approx. 10 years) Review period – 2 years approx. Effective date – April 1, 2015 Annual Contract Value – ₹ 375 Cr. (indexed to market rates of electricity and fuel from time to time)	GIL & CNIL have about 10,404 and 17,435 telecom towers, respectively, which house passive infrastructure equipments. GIL & CNIL provide Infrastructure provisioning services to its operator customers and have to provide uninterrupted power supply to the customer equipments on a 24x7 basis. This uninterrupted power supply requires availability of Electricity and Fuel to run the passive equipments and thus ensure service to end customers. For this GIL & CNIL need to have reliable sub-contractors who can provide Energy services. GTL ensures availability of Electricity and / or Fuel as required under these contracts on 24x7 basis as per the agreed mechanism in the contracts. GTL further manages the provision of this Energy to ensure that the cost to GIL & CNIL is fixed and also brings efficiency to the operations and costs.
Chennai Network Infrastructure Limited (CNIL)	N.A.	Associate	Energy Management Agreement Provision of Power (Electricity) and Fuel under Fixed Energy Management Services Contract Contract Validity – Multiyear (approx. 10 years) Review period – 2 years approx. Effective date – April 1, 2015 Annual Contract Value – ₹ 230 Cr. (indexed to market rates of electricity and fuel from time to time)	

In view of the above, it is necessary for the Members to pass special resolutions for enabling the Company to undertake material Related Party Transactions in each financial year up to a limit stipulated against each such party.

The Board commends passing of the special resolutions as set out in Item Nos. 7 & 8 of the accompanying Notice.

Except for Mr. Manoj G. Tirodkar and Mr. Vijay Vij, both Directors in GTL Infrastructure Limited and Chennai Network Infrastructure Limited and Mr. D. S. Gunasingh in his capacity as Director in Chennai Network Infrastructure Limited, none of the other Directors / Key Managerial Personnel of the Company and their Relatives is, in any way, concerned or interested financially or otherwise, in these Resolutions.

By Order of the Board of Directors,

Place: Mumbai
Date: May 5, 2015

Vidyadhar A. Apte
Company Secretary

Registered Office:

GTL Limited
“Global Vision”, Electronic Sadan No. II,
M.I.D.C., T.T.C. Industrial Area,
Mahape, Navi Mumbai – 400710.
Maharashtra, India.
Tel: +91–22–27612929 Extn. Nos.: 2232–2235
Fax: +91–22–2768 0171.
E-mail: gtilshares@gtilimited.com
Website: www.gtilimited.com
CIN: L40300MH1987PLC045657

GTL LIMITED

Regd. Office: "Global Vision", Electronic Sadan-II, MIDC,
TTC Indl. Area, Mahape, Navi Mumbai – 400 710. MH., INDIA

Tel: +91 22 2761 2929 **Extn:** 2232–2235; **Fax:** +91 22 2768 0171.

Email: gtlshares@gtllimited.com; **Website:** www.gtllimited.com; **CIN:** L40300MH1987PLC045657



ATTENDANCE SLIP

Folio No. / DP ID & Client ID 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 Seventh Annual General Meeting of the Company being held on Wednesday, September 23, 2015, at 11:00 a.m. at Marathi Sahitya, Sanskriti & Kala Mandal, Sahitya Mandir Hall, Near Navi Mumbai Sports Association, Sector 6, Vashi, Navi Mumbai 400703, Maharashtra.

Name of the attending Member / Proxy*

GLOBAL Group Enterprise

Member's / Proxy's* Signature

* Strike out whichever is not applicable

GTL LIMITED

Regd. Office: "Global Vision", Electronic Sadan-II, MIDC,
TTC Indl. Area, Mahape, Navi Mumbai – 400 710. MH., INDIA

Tel: +91 22 2761 2929 **Extn:** 2232–2235; **Fax:** +91 22 2768 0171.

Email: gtlshares@gtllimited.com; **Website:** www.gtllimited.com; **CIN:** L40300MH1987PLC045657



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

Email ID:

Folio No / DP ID & Client Id

I / We, being the member (s) holding shares of the above named company, hereby appoint

1. Name:

Address:

Email Id: Signature, or failing him

2. Name:

Address:

Email Id: Signature, or failing him

3. Name:

Address:

Email Id: Signature

as my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the Twenty Seventh Annual General Meeting of the Company, to be held on Wednesday, September 23, 2015, at 11:00 a.m. at Marathi Sahitya, Sanskriti & Kala Mandal, Sahitya Mandir Hall, Near Navi Mumbai Sports Association, Sector 6, Vashi, Navi Mumbai 400703, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.:

1. Adoption of Audited Financial Statements for the year ended March 31, 2015 on standalone and consolidated basis and the Reports of the Board of Directors and Auditors thereon
2. Ratification of appointment of M/s Godbole Bhawe & Co., Chartered Accountants and M/s Yeolekar & Associates, Chartered Accountants as Joint Auditors and fixing their remuneration
3. Appointment of Mr. Sunil Sadanand Valavalkar as a Director of the Company
4. Appointment of Mr. Sunil Sadanand Valavalkar as a Whole-time Director of the Company
5. Appointment of Mrs. Siddhi Mandar Thakur as a Director of the Company
6. Appointment of Mrs. Siddhi Mandar Thakur as an Independent Director of the Company
7. Approval for related party transactions with GTL Infrastructure Limited
8. Approval for related party transactions with Chennai Network Infrastructure Limited

Signed this day of 2015

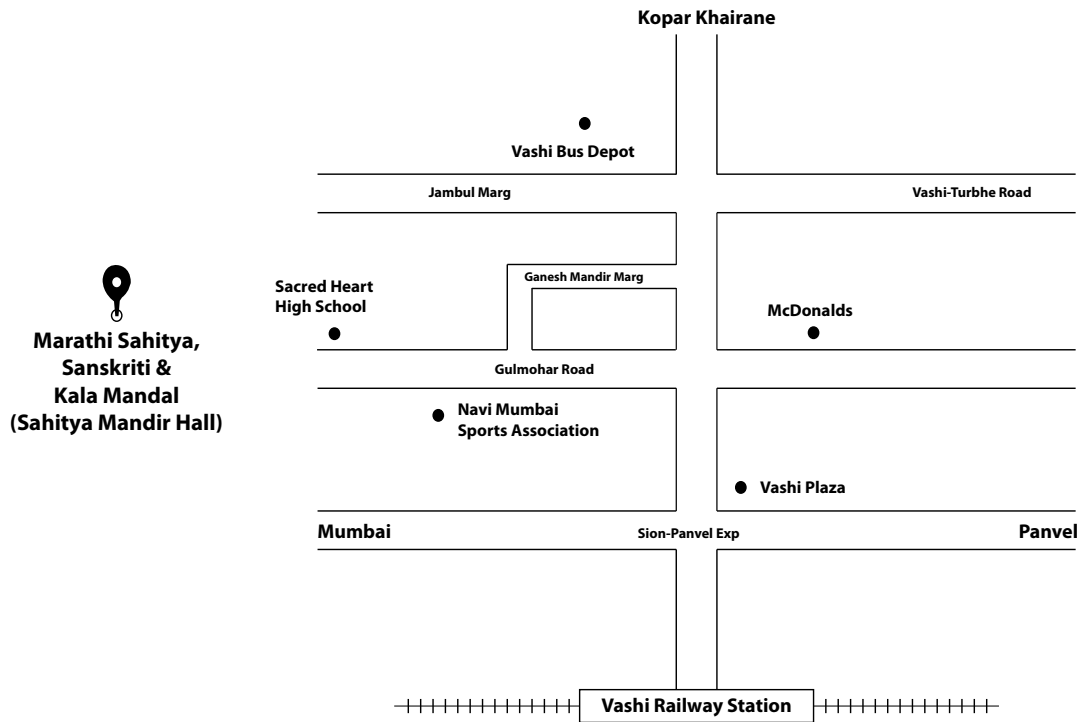
Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map to the venue of the AGM



LIST OF BRANCHES IN 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

Plot No. 32/33, Phase 1,
Rajiv Gandhi InfoTech Park,
Opp. Persistent Building, Hinjewadi,
Pune – 411 057, Maharashtra, India.

www.gttlimited.com



GLOBAL Group Enterprise

www.gttlimited.com

“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

CIN No. : L40300MH1987PLC045657

GTL LIMITED

Regd. Office: "Global Vision", Electronic Sadan-II, MIDC, TTC Indl. Area, Mahape,
Navi Mumbai – 400 710, Maharashtra, India.

Tel: +91 22 2761 2929; **Extn:** 2232–2235; **Fax:** +91 22 2768 0171.

E-mail: gtlshares@gtllimited.com; **Website:** www.gtllimited.com

CIN: L40300MH1987PLC045657



Ballot Form (27th AGM)

EVSN: 150813026

AVSR No. :

Name(s) of Member(s) :

(in BLOCK LETTERS)

(including joint holders, if any)

Registered address of the :

sole / first named Member

Registered Folio No. / :

DP ID and Client ID*

(* Applicable to investors holding
shares in dematerialized form)

Number of equity shares held :

I / We hereby exercise my / our vote in respect of the following Resolutions set out in the Notice of the Twenty Seventh Annual General Meeting of the Company to be held on Wednesday, September 23, 2015 by recording my / our Assent or Dissent to the said Resolutions by placing tick (✓) marks at the appropriate boxes below:

Item No.	Brief Description	Type of Resolution	No. of shares held by me/us	I / We Assent to the resolution (FOR)	I / We Dissent from the resolution (AGAINST)
1	Adoption of Financial Statements for the year ended March 31, 2015 on standalone and consolidated basis and the Reports of the Board of Directors and Auditors thereon	Ordinary			
2	Ratification of appointment of M/s Godbole Bhawe & Co., Chartered Accountants and M/s Yeolekar & Associates, Chartered Accountants as Joint Auditors and fixing their remuneration	Ordinary			
3	Appointment of Mr. Sunil Sadanand Valavalkar as a Director of the Company	Ordinary			
4	Appointment of Mr. Sunil Sadanand Valavalkar as a Whole-time Director of the Company	Special			
5	Appointment of Mrs. Siddhi Mandar Thakur as a Director of the Company	Ordinary			
6	Appointment of Mrs. Siddhi Mandar Thakur as an Independent Director of the Company	Ordinary			
7	Approval for related party transactions with GTL Infrastructure Limited	Special			
8	Approval for related party transactions with Chennai Network Infrastructure Limited	Special			

Place: _____

Date: _____

(Signature of Member)

Note: Please read carefully the instructions printed overleaf before exercising the vote through this form and for e-voting, please refer the instructions under "Voting through electronic means" in the AGM Notice dated May 5, 2015 forming part of the 27th Annual Report.

E-Voting facility particulars (to be retained with the Member)

ELECTRONIC VOTING PARTICULARS

27th AGM

Electronic Voting Sequence Number (EVSN)	User ID & Password
EVSN: 150813026	1. If you are registered with CDSL on e-voting system, please use your existing user-ID and password. 2. If you are first time user follow steps given in Note No. 15(viii) of the Notice for AGM dated May 5, 2015. 3. If PAN is not registered with Company / Depository, use AVSR No. printed above.

Ballot Form (27th AGM)
EVSIN: 150813026
INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to remote e-voting facility, to enable them to send their assent or dissent by post, for the 27th Annual General Meeting (AGM) being held on September 23, 2015.
2. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice dated May 5, 2015 of the 27th AGM.
4. The Scrutinizer will collate the votes cast at the AGM, thereafter unblock votes cast through remote e-voting system and votes received through post, to declare the final result for each of the Resolutions forming part of the Notice for AGM.

Process and manner for Members opting to vote by using the AGM Ballot Form:

1. Please complete and sign the Ballot Form and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Virendra G. Bhatt, Practicing Company Secretary, (C.P.No.124/ACS No.1157), at the Registered Office of the Company in the enclosed self addressed postage prepaid envelope. Members need not affix postal stamps since the postage will be paid by the Company. However, envelopes containing Ballots, if sent by courier or by registered post at the expense of the registered shareholders will also be accepted.
2. Members are requested not to send any other document along with the Ballot Form in the enclosed self addressed envelope as all such envelopes will be delivered to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
3. The self-addressed postage paid envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
4. This Form should be signed by the Member as per the specimen signature registered with the Company / Depository Participant(s). In case of joint holding, the Form should be completed and signed by the first named Member and in his / her absence, by the next named joint holder.
5. In case the shares are held by companies, financial institutions, trusts, societies, etc. or by persons authorised under power of attorney, the Ballot Form signed in representative capacity must be accompanied by a certified true copy of the resolution of the Board of Directors of the concerned body corporate or by an attested true copy of the power of attorney authorizing such person, as the case may be, along with a specimen signature of the said authorised representative or power of attorney holder. If the same is / are already registered with the Company / Depository Participant, please quote the Registration Number beneath the signature. Where the Ballot Form has been signed by a representative of the President of India or by the Governor of a State, a certified true copy of the nomination should accompany the Ballot Form.
6. A Member neither needs to use all votes nor needs to cast all the votes in the same way. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided for assent / dissent in the Ballot.
7. The voting rights shall be reckoned on the paid up value of shares registered in the name/s of the shareholders as on the cut-off date i.e. Friday, September 18, 2015.
8. Duly completed Ballot Form should reach the Scrutinizer not later than; Tuesday, September 22, 2015 (5.00 p.m. IST). Ballot Form received after this date will be strictly treated as if the reply from the Members has not been received.
9. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in Serial No. 8 above.
10. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
11. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
12. The results declared along with the Scrutinizer's Report will be hosted on the Company's website at www.gtlimited.com and on CDSL's website www.evotingindia.com for information of the Members, besides being communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

NOTES

1. The relevant Explanatory Statement pursuant to Sections 102 of the Companies Act, 2013, is appended with the Notice for AGM annexed hereto.
2. The Company has appointed Mr. Virendra G. Bhatt, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.
3. Mr. Virendra G. Bhatt will hold the position of Scrutinizer from the date of posting of this notice until submission of his final report to the Chairman & Managing Director / the Whole-time Director.
4. The Scrutinizer will be available at the Registered Office of the Company for the purpose of ascertaining the requisite majority during the voting period. The Postal Ballot and all other documents relating to the said AGM Postal Ballot will be under his safe custody until the Chairman & Managing Director / the Whole-time Director considers, approves and signs the minutes of the proceedings of the meeting at which the resolutions will be deemed to have been passed, subject to receipt of requisite number of votes in favour of the resolutions.