

REF: GTL/CS-SE/2017-18/016

September 22, 2017

The Secretary BSE Limited Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Fort, Mumbai 400 001.	The Secretary National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
(BSE Code: 500160 NSE Symbol: GTL ISIN: INE043A01012)	

Dear Sir/s,

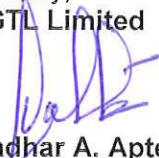
Sub: Annual Report for the Financial Year ended March 31, 2017.

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the 29th Annual Report *inter-alia* containing the financial statements of the Company for the year ended March 31, 2017 together with the reports of the Board of Directors and Auditors thereon, Corporate Governance Report, consolidated financial statements of the Company for the year ended March 31, 2017 together with Auditors Report thereon and the Notice convening 29th Annual General Meeting (AGM), which was approved and adopted by the members of the Company in the 29th AGM held in Navi Mumbai on September 21, 2017.

Please acknowledge receipt.

Thanking you,

Yours truly,
For GTL Limited


Vidyadhar A. Apte
Company Secretary


Milind Bapat
Chief Financial Officer

Encl. as above.

Note: This letter is submitted electronically with BSE & NSE through their respective web-portals



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29th ANNUAL REPORT 2016-17

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Manoj G. Tirodkar	Chairman & Managing Director
Mr. Vijay M. Vij	Independent Director
Mr. D. S. Gunasingh	Independent Director
Mr. Navin J. Kripalani	Independent Director
Mr. Dilip Kumar Mandal	Director - Nominee of IDBI Bank (upto November 27, 2016)
Mr. Sunil S. Valavalkar	Whole-time Director
Mrs. Siddhi M. Thakur	Independent Director
Mr. Badri Srinivasa Rao	Director - Nominee of IDBI Bank (w.e.f. November 28, 2016)

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

Amilife Insurance PCC Limited	Indian Bank	State Bank of Hyderabad
Andhra Bank	Indian Overseas Bank	Syndicate Bank
Bank of Baroda	JM Financial Asset Reconstruction Company Ltd.	UCO Bank
Bank of India	Pegasus CP One Ltd.	Union Bank of India
BMI Bank BSC (c)	Punjab National Bank	United Bank of India
Canara Bank	SIDBI	Vijaya Bank
Dena Bank	Standard Chartered Bank	
IDBI Bank Ltd.	Standard Chartered Bank (Mauritius) Ltd.	

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 9990 / 2768 0171

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

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

CIN : L40300MH1987PLC045657

CONTINUING & DISCONTINUED BUSINESS OPERATIONS

Particulars	Consolidated				Standalone	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
	₹ Crores	₹ Crores	US\$ Mn	US\$ Mn	₹ Crores	₹ Crores
Total Income	1,673.68	1,722.99	249.94	259.25	1,254.62	1,280.50
Net sales and Services	1,636.26	1,683.19	244.35	253.27	1,221.11	1,240.36
PBDIT and Exceptional items	(50.69)	(352.32)	(7.57)	(53.01)	(40.65)	8.98
Depreciation	50.00	100.85	7.47	15.17	47.42	98.48
Profit before exceptional items and Tax	(706.38)	(1,062.69)	(105.49)	(159.90)	(635.19)	(649.30)
Profit after exceptional items but before tax	(706.38)	(2,650.59)	(105.49)	(398.83)	(635.19)	(2,373.71)
Profit after tax	(711.54)	(2,663.59)	(106.26)	(400.78)	(629.86)	(2,373.71)
Share of Profit in Associate and Minority	(282.25)	(146.00)	(42.15)	(21.97)	N.A.	N.A.
Profit from Continuing operations	(993.79)	(2,809.59)	(148.41)	(422.75)	(629.86)	(2,373.71)
Loss from discontinuing operations	NIL	(58.02)	NIL	(8.73)	NIL	(39.74)
Other comprehensive Income	(0.59)	(0.14)	(0.09)	(0.02)	(0.44)	(0.05)
Loss after Other Comprehensive Income	(994.38)	(2,867.75)	(148.50)	(431.50)	(630.30)	(2,413.50)
Equity Capital	157.30	157.30	24.29	23.78	157.30	157.30
Reserves and Surplus	(6,125.84)	(5,160.14)	(946.08)	(780.01)	(3,842.11)	(3,211.81)
Networth	(5,968.54)	(5,002.84)	(921.78)	(756.23)	(3,684.81)	(3,054.51)
Net Fixed Assets	95.05	144.42	14.68	21.83	98.85	143.84
Total Assets	1,938.79	2,406.97	299.43	363.84	3,344.55	3,527.84

Conversion Rate for 1US\$ into INR (Weighted average)	FY 2016-17	FY 2015-16
Profit and Loss Account items	66.9632	66.4593
Balance Sheet items	64.7500	66.1550

Note: GTL generates 75% 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 value.

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, a Global Group Enterprise, is a leading Network Services company, offering services and solutions to address the Network Life Cycle requirements of Telecom Operators, Technology providers (OEM's) and Tower Companies.

GTL has extensive domain knowledge, experience across multiple technology platforms and OEM products. We are driven by commitment towards customers' success, excellence in operations and continuous improvement. The network services portfolio are as under -

Network Operations and Maintenance:

GTL is a significant provider of network operations and maintenance that delivers assured uptime and availability of network for telecommunication services. The broad array of services are:-

- Remote Monitoring of network assets and uptime.
- Field level Corrective and Preventive Maintenance of network assets
- Technical Support and Process Management
- Logistics with Vendor Management

With the help of 24*7 Centralized Command Centre and Technical Field Staff spread across India and in the countries we operate, GTL assures high network availability and fault free network operations for Telecommunication Services, such that Telecom Operators can offer uninterrupted access to communications to their subscribers.

Energy Management:

Uninterrupted access to power is critical for Telecom Networks and forms a significant part of the operating costs. Telecom Operators and Tower Companies face challenges of maintaining power availability and associated costs due to their spread out sites.

GTL has devised energy management solutions that provide continuous availability of power at telecom sites, at optimum costs. These are delivered through:

- Technical audit for optimum power consumption
- Monitoring utilization of sources of energy and plugging leakage thereof
- Driving modernization with energy efficient equipment; and
- Integrating non-traditional or alternate sources of energy with reduced CO2 footprint

Additionally, GTL offers Fixed Energy based pricing model that allows Telecom Operators and Tower Companies to enjoy a predictable cost model. The Fixed Energy Model is designed from analysis of historical consumption patterns, consumption per hour (CPH) of EB and Fuel, by relevant network assets at sites.

Our stringent operating processes and continuous monitoring has minimized leakages.

Managed Services:

GTL's Managed Network Services offerings are based on Build-Operate-Manage (BOM) model that 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 Operations
- Field Management- Active and Passive and
- Remote Network Infrastructure Management Service (RNIMS).

GTL Managed Services enhances customer's competitiveness with timely delivery, cost efficiency in network operations, desired network performance and end user experience.

Infrastructure

Command Centre:

GTL has a 24x7 state-of-art Command Centre that provides network monitoring, incidence tracking, troubleshooting and fault resolutions services. The Command Center engages engineers equipped with tools for advanced event detection, alarm monitoring systems, post-event analysis, big data analytics and reporting.

This centralized monitoring facility also caters to passive infrastructure monitoring, including the energy (power & fuel) monitoring. Command Centre services have enabled GTL to minimize fault resolution time, that has resulted in improved network availability for our customers.

Test & Repair Centre:

The Test and Repair Center (TRC) is a multi-product capability based support group that offers solutions ranging from feasibility testing to broad level repairs of equipment deployed at telecom sites.

By providing scheduled preventive maintenance services and timely resolution to faults, TRC services have enabled GTL to honor its service commitments to customers. In turn, GTL's customers are able to enjoy the full potential of their investment deployed in the equipment.

Project Endeavors

In line with the continuous improvement policy, GTL has taken several initiatives to enhance the operational efficiency while maintaining focus on customers' needs of ever improving uptime and optimum utilization of energy. Some of the initiatives are:-

Asset based preventive maintenance

GTL has initiated "Asset Focused Maintenance Plan", a shift from the conventional "Site Specific Maintenance Schedule".

The Asset focused approach has resulted in detailed inspection of every asset / equipment at a site, leading to proactive identification of likely faults, wear and tear issues and timely rectification, thereby delivering higher operating hours that ultimately lead to superior uptime of networks for our customers, maintaining optimum cost of delivery of services to the Company.

Customers also benefit from enhanced asset health, reduction in asset tampering or theft at site and higher compliance towards SLA.

Centralized tracking of energy consumption

GTL has formed a Centralized Energy Tracking System with qualified engineers operating from the Command Center.

Site specific energy requirement is documented and forecast for energy resources is projected per site. The energy utilization against forecast is compared for optimum utilization, plugging the leakage and generating higher operating margin.

The data generated helps in drawing utilization patterns that aids in predictive analysis of energy requirement over time, tapping into different energy sources, efficiency creation and cash flow management.

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is currently the second-largest telecommunication market and has the third highest number of internet users in the world, but decline in tariff due to fierce competition and disruptive entry of Greenfield 4G operator has put pressure on margins for already distressed industry. The consolidation among operators will continue to be a key trend in coming years.

Despite recent slowdown, the Indian telecom market is expected to be back on growth track driven by data explosion with rollout of data services (3G and 4G) together with operational prudence. With increasing market competitiveness, the current focus of telecom operators (Telcos) in India has clearly moved from increasing 'user base' to improving 'active' user base, again with an emphasis on operational prudence, more than ever.

The liberal and reformist policies of the Government of India have been instrumental along with strong consumer demand in the rapid growth of telecom services. The deregulation of Foreign Direct Investment (FDI) norms has helped the sector and it is a top five employment opportunity generator in the country.

With the government's favorable regulation policies and 4G services hitting the market, the Indian telecommunication sector is expected to witness fast growth in the next few years.

The Government of India also plans to auction 5G spectrum to promote initiatives like Internet of Things (IoT), machine-to-machine communications, instant high definition video transfer as well as its Smart Cities initiative.

With 4G shaping up and IoT being the next wave, the infrastructure requirement has increased. This has fueled the growth of Tower Cos. However, majority of the telecom infra companies have achieved the end of life status for equipments. The Towercos are now focusing on infra up-gradation, resizing and replacement projects, outsourcing OPEX driven activities such as maintenance and energy management.

This has created interesting opportunities for service companies like GTL, which has portfolio of service offerings in network lifecycle area and aims to leverage the expertise gained in offering and addressing the same.

OPPORTUNITIES AND THREATS

OPPORTUNITIES:

Operations & Maintenance Services market expected to increase

With the consolidation amongst telecom operators along side huge demand for 4G services, Towercos are likely to benefit as they offer capex free infra for operators. The majority of the Towercos are now focusing on improving tenancy ratio, as it drives profitability. Site acquisition and rental management are the key aspects of tower business. Thus, Towercos are willing to focus on these core areas while outsourcing the maintenance and energy management work to third parties.

As the revenue model is SLA & KPI based, maintenance of the infra and uptime achievement are key elements. To limit themselves towards the associated penalties and efficient operations management, Towercos will offload such role to a well established service provider with strong presence across India, creating opportunities for companies like GTL.

Potential for Command Centre based services

At present there are approx 3,70,000 towers currently operational in India, but we observe that many of the infra

players are still dependent upon the traditional circle based OMCR (Network monitoring) approach.

In this arena, where network uptime is the key differentiator and operators are looking for cost optimization, there is significant need for centralized real time network monitoring. To own such facility is a huge CAPEX commitment which is tricky, given the current price war in the Indian telecom market.

Observing this as market opportunity, GTL proposes the Command Centre offering to various Telcos/Towercos in India as well as in the overseas markets. Through the automation of the various processes, GTL has efficiently reduced the tracking and reporting cost per tower. We also have in-house IoT enabled platform for KPI management, business analytics and data reporting. This becomes a key differentiator for GTL.

Digital India Initiative likely to benefit Telecom Sector

The Digital India initiative of the Government of India will transform the way India operates, today.

A huge surge in mobile devices, along with digital services will need massive networks and infrastructure, creating opportunities for Service Providers and Infrastructure Providers. With the Government keen on involving private players in key areas such as National Optic Fibre Network (NOFN), Service Providers are in a unique position to leverage the digitization opportunity like the Smart Cities program.

Internet of Things (IoT) applications and evolving Communication Technologies

The IoT is the inter-networking of physical devices connected to the internet which can collect and exchange data. Mobile is expected to be a key enabling technology for IoT, as the central point to connect various devices and offering connectivity. The total number of connected IoT devices in India, is expected to reach billions by the year 2020. Mobile devices and related broadband connectivity will continue to drive momentum for IoT.

THREATS:

Consolidation in Industry - Changing business environment

The much awaited sector consolidation has set-in. Some of the key drivers for market consolidation include increasing pressure on profitability, hyper-competition, spectrum trading and sharing guidelines and favorable M&A policy. In addition, the sector also witnessed a number of spectrum trading and sharing deals.

Consolidation may result in optimization of tenancy and passive infrastructure, downsizing operations and maintenance service scope. GTL will focus towards achieving business scale and explore areas like Active Operations and Maintenance.

Daily change in diesel rate

Our energy management services need to procure diesel on regular basis. Under the new system of daily price revisions of diesel, the energy billing mechanism to the customer has become tedious due to reconciliation process.

Effect of GST

The Indian Government has implemented the GST (Goods and Service Tax) replacing the earlier Indirect taxes regime. The overall increase in the tax rate could put pressure on margins and cash flow for the already stressed Telecom Sector.

GTL has anticipated change and taken necessary steps towards enforcement. Our proactive and efficient management has resulted into smooth transition with minimal impact on operations.

FUTURE OUTLOOK

GTL's current business focus revolves around leveraging telecom and enterprise business expertise. Moving forward, GTL is developing a strategy focused on Command Centre, and Customer Experience Management built on its expertise in managed services. Some of the key steps 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:

- **Shift from one time Revenues (Project based) to Recurring Revenues:**

The Company is moving towards a recurring revenue model as against the earlier model of fixed one time project based revenue.

- **Field manpower oriented services to move towards hybrid model utilizing high end tools:**

Most of our current service offerings revolve around resource centric revenue. Moving forward we intend to offer high end technology services, with deeper engagement and long-term results

- **New customer segments:**

The 'Digital India' initiative presents a gamut of opportunities for telecom service providers and tower companies. New customer segments such as Government and infrastructure companies are expected to emerge in the near future. GTL would leverage such opportunities to expand its customer base

DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Over the past few years, the Company's business growth has been substantially affected in view various factors i.e. cancellation of 2G Licences, suspension of BSNL expansion, Aircel Groups cancellation / termination of Tenancy commitment. This was further aggravated by termination of Power Distribution Franchise arrangement. The turmoil in telecom industry also resulted in almost no new tower rollout and other network services. Presently, domestic business is predominantly OME business with limited customer base. This leads to major business concentration risk.

The above factors substantially affected Company's Revenue and Operating margin as envisaged in the Corporate Debt restructuring proposal (CDR). The Standalone Revenue and Operating Margin vis-à-vis projected standalone Revenue and Operating Margins since 2011-12 to 2016-17 are as under:

₹ Crores

Particulars	Projections	Actual	% Achievement
Revenue	24,261	10,476	43%
Operating Margin	2,599	206	8%

Considering certain developments in telecom sector, more particularly the proposed merger of operators, may impact Company's Revenue and margin from OME business and also its valuation.

The reduction in margins has affected principal and interest payout of borrowings as per CDR plan. With a view to settle the Lenders liability, the Company submitted a negotiated / one time settlement of its debts by following means :

1. Monetisation of Investments in Tower Companies
2. Sale of OME Business
3. Realisation of Current Assets
4. Sale of non-core assets

The lenders have agreed in-principle to the Company's proposal

The Financial analysis of the FY 2017 are as under :

For the purpose of financial analysis, the figures in rupees for the FY 2015-16 and FY 2014-15 are converted into US\$ as under :

Particulars	FY 2016-17 (₹)	FY 2015-16 (₹)
Profit and Loss Account - 1 US\$ equals to INR	66.9632	66.4593
Balance Sheet- 1 US\$ equals to INR	64.7550	66.1550

SEGMENT WISE PERFORMANCE

The Company has one reported segment i.e. Network Services. Hence the Revenue of the Company is from Network Services.

Pre-elimination and Post-elimination Revenues of the Group

Particulars	FY 2016-17 (₹ Crore)	FY 2015-16 (₹ Crore)	FY 2016-17 (US\$ Mn.)	FY 2015-16 (US\$ Mn.)
GTL (Standalone)	1,221.11	1,240.36	182.35	186.64
International Subsidiaries	415.15	442.83	62.00	66.63
Indian Subsidiaries	NIL	NIL	NIL	NIL
Pre elimination Group Revenue	1,636.26	1,683.19	244.35	253.27
Less: inter-company elimination	NIL	NIL	NIL	NIL
Post elimination Group Revenue	1,636.26	1,683.19	244.35	253.27

Cost of Sales, Services and Delivery

In the FY 2016-17 Cost of Material and Services stood at ₹ 1,185.57 Crore (US\$ 177.05 Mn.) (72.46 % of revenue) as against ₹ 1,361.22 Crore (US\$ 204.82 Mn.) (80.87 % of revenue) in FY 2015-16.

In the FY 2016-17 Employee Benefit expenses stood at ₹ 199.17 Crore (US\$ 29.74 Mn.) (12.17 % of revenue) as against ₹ 220.51 Crore (US\$ 33.18 Mn.) (13.10 % of revenue) in FY 2015-16.

In the FY 2016-17 Other Expenses includes Travelling, Conveyance, Rent, Consultancy, Provision for Doubtful debts, Provision for impairment of Investment and others stood at ₹ 339.63 Crore (US\$ 50.72 Mn.) as against ₹ 493.58 Crore (US\$ 74.27 Mn.) in FY 2015-16

In the FY 2016-17 Finance Cost stood at ₹ 605.69 Crore (US\$ 90.45 Mn.) as against ₹ 609.52 Crore (US\$ 91.71 Mn.) in FY 2015-16.

Exchange variation

The Company and its subsidiaries execute projects in several countries and thus have exposure in several currencies related to bank deposits, payments to suppliers, receivables and loans. Since subsidiaries are functioning in respective local currencies and hence there are no potential risks for exchange variation.

Provision for Tax

Provision for Tax	FY 2016-17 (₹ Crore)	FY 2014-15 (₹ Crore)	FY 2015-16 (US\$ Mn.)	FY 2014-15 (US\$ Mn.)
Income Tax	4.81	10.78	0.72	1.62
Deferred Tax	0.35	2.22	0.05	0.33
Total Tax	5.16	13.00	0.77	1.95

Balance Sheet Items

Equity Share capital

As on March 31, 2016 the equity share capital was ₹ 157.30 Crore (US\$ 24.29 Mn.). There is no change in GTL's Share Capital and as at March 31, 2017 share capital remains at ₹ 157.30 Crore The details are as under:

Particulars	No. of Equity Shares	(₹ Crore)	US\$ Mn.
Equity Capital as on March 31, 2016	157,296,781	157.30	23.78
Equity Capital as on March 31, 2017	157,296,781	157.30	24.29

Reserves and Surplus

Particulars	₹ Crore	US\$ Mn.
Reserves & Surplus on March 31, 2016	(5,160.14)	(796.93)
Add :		
Loss during the year	(994.38)	(153.58)
Translation & Reserve on consolidation	28.68	4.43
Reserves & Surplus on March 31, 2017	(6,125.84)	(946.08)

Net worth

Particulars	₹ Crore	US\$ Mn.
Equity Capital as on March 31, 2017	157.30	24.29
Reserves & Surplus on March 31, 2017	(6,125.84)	(946.08)
Total Net Worth	(5,968.54)	(921.79)

Since under Indian Accounting Standard (Ind As), Preference Share Capital is considered as Non-current

Financial Liability, the same is not considered as part of Net Worth.

Borrowings

Borrowings as on March 31, 2017 were ₹ 5,719.92 Crore (US\$ 883.38 Mn.) as against ₹ 5,728.30 Crore (US\$ 865.89 Mn.) on March 31, 2016.

Net Fixed Assets

As on March 31, 2017 the net fixed assets were ₹ 95.05 Crore (US\$ 14.68 Mn.) as against ₹ 144.42 Crore (US\$ 21.83 Mn.) on March 31, 2016.

Long Term Investments

In terms of Indian Accounting Standard (Ind-AS), the share in associate needs to be accounted under Equity method as per (Ind-AS 28) "Accounting for Investment in Associates and Joint Ventures" in Consolidated Financial Statements. Accordingly, the share in loss in associates viz. GIL and CNIL is considered in the Consolidated Financial Statements.

The investment as at March 31, 2017 stood at ₹ 416.13 Crore (US\$ 64.27 Mn.) as against ₹ 697.53 Crore (US\$ 105.44 Mn.) as on March 31, 2016. Decrease in investment is on account of share in loss in associates, required as per Indian Accounts Standard (Ind-AS).

Investments	₹ Crore		US\$ Mn.	
	March 31,2017	March 31,2016	March 31,2017	March 31,2016
Unquoted				
Equity Share of Chennai Infrastructure Limited	416.13	697.53	64.27	105.44
Total	416.13	697.53	64.27	105.44

Receivables decreased from ₹ 212.44 Crore (US\$ 32.11 Mn.) as on March 31, 2016 to ₹ 196.49 Crore (US\$ 30.35 Mn.) on March 31, 2017. Decrease in Daily Sales Outstanding (DSO) from 46 to 44 days.

Inventory as on March 31, 2017 was ₹ 15.41 Crore (US\$ 2.38 Mn.) as against ₹ 10.92 Crore (US\$ 1.69 Mn.) as on March 31, 2016.

Related Party - Disclosure (Transaction with associates)

₹ Crore

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Sales & Services	623.99	641.26
Reimbursement Expenses from	1.32	2.64
Rent Received	2.61	2.72
Reimbursement Expenses to	189.55	300.29

Relationship:

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

Contingent Liabilities

₹ Crore

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Claims against the Company not acknowledged as debts	2,104.03	321.63
Put option by IFCI on optionally convertible loan of GRNL (including interest accrued thereon of ₹ 71.04 crores) (FY 15-16 ₹ 51.04 Crores and FY 14-15 ₹ 37.54 Crores)	171.04	151.04
Guarantees given by Banks on behalf of the Company	44.78	45.18
Performance Guarantees issued to backs on behalf of Subsidiaries / Associates	5.00	5.00
Corporate Guarantees given by the Company for loans taken by subsidiaries /	24.90	425.00
Disputed Sales tax liabilities for which appeals are pending (Amount deposited ₹ 1.94 Crores (FY15-16 ₹ 1.99 Crores and FY 14-15 ₹ 0.91 Crores)	61.08	9.65
Disputed Income tax liabilities for which appeals are pending	10.56	10.96
Disputed Service Tax liabilities for which appeals are pending (Amount deposited / adjusted ₹ 0.97 Crores (FY 15-16 NIL and FY 14-15 NIL)	17.35	NIL
Dividend on 0.01% Non-Participative Optionally Convertible Cumulate	0.30	0.23

RISKS AND CONCERNS

I. MARKET RISKS

Macro-Economic Outlook

- India is currently the second-largest telecommunication market and has the third highest number of internet users in the world
- India's telephone subscriber base expanded at a CAGR of 19.96 per cent, reaching 1058.86 million during FY07-16
- The liberal and reformist policies of the Government of India have been instrumental along with strong consumer demand in rapid growth of the Indian telecom sector
- The government has enabled easy market access to telecom equipment and a fair and proactive regulatory framework that has ensured availability of telecom services to consumer at affordable prices
- Employment opportunities are expected to be created due to combination of government's efforts to increase penetration in rural areas and rapid increase in smartphone sales and rising internet usage.
- Driven by strong adoption of data consumption on handheld devices, the total mobile services market revenue in India is expected to touch US\$ 37 billion in 2017, registering a Compound Annual Growth Rate (CAGR) of 5.2 per cent between 2014 and 2017, according to research firm IDC.
- According to a report by leading research firm Market Research Store, the Indian telecommunication services market will likely grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020
- As the revenues from our existing business lines are all dependent on sustainability of the Telecom sector, we believe that macro-economic factors, including the growth of the Indian economy, interest rates, as well as the political and economic environment, have a significant direct impact on our business, results of operations and financial position.

Liquidity and Leverage Risks

During the last few years, the telecom industry has been adversely affected by the general economic slowdown and various other factors such as slower

growth of 3G technology, failure of spectrum auctions and inflationary costs of power & fuel. This has resulted into substantial erosion of the Company's net worth and the Company has incurred cash losses. The Company continues to take various measures such as cost optimisation, improving operating efficiency, re-negotiation of contracts with customers to improve its operating results and cash flows. Further, the management believes that new spectrum auction will result in exponential growth in 3G, 4G & LTE which are expected to generate incremental cash flows to the Company.

Foreign Exchange and Commodity Price Risk

The Company's business is predominantly in India. The International subsidiaries carry out their business in local currency and therefore are not exposed to fluctuations in foreign exchange rates. The business related financial risk, especially involving commodity prices, by and large, are managed contractually through price variation clauses.

Credit Risks

All telecom companies faced increased pressure on earnings and financing fronts. This may lead to Cash flow pressure and thus will pose problems for vendor payments. As a vendor to these players, GTL is currently facing a medium credit risk.

- The Supreme Court of India verdict for cancellation of 122-2G telecom licenses caused losses & impairments to tower companies, adversely impacting their financing and fund raising plans.
- Based upon the spectrum auctions, the license charges paid by the operators will impact the net margins of the operators. Hence, increased capital charges (the interest outgo on account of debt raised for 3G network rollout, and amortization of spectrum charges) would place additional pressure on operators' bottom lines.

Overview

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

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

- Cancellation of 122-2G licenses upheld by Hon'ble Supreme Court in February 2012

- Aircel Group's cancellation / termination of tenancy commitments in July 2013
- Slower 3G & BWA growth since auctions
- Suspension of BSNL expansion and
- Freeze on fresh debt and equity: Anxiety and negative sentiments towards the sector due to financial stress, contentious tax claims and criminal investigations of Promoters and Banks related to previous spectrum allocations etc. resulted into a complete freeze of fresh capital outlays in the sector.

II. STRATEGIC RISK

Industry Risk

Consolidation in the Indian Telecom Market – Proposed Merger of Aircel - RCOM, Idea - Vodafone announced, Rjio Network rollout and expansion. This will impact :

- Telecom tower sites consolidation with a focus on overlapping tenancies.
- Tenancies shared with various Tower Cos and thus impacting GTL's run rate of Energy Management
- Sites with single tenants may be covered under consolidation
- Rjio is in network rollout phase and aggressively expanding its network. This growth will blunt the impact of tenancy / site consolidation to some extent.
- Comparatively much less impact on FLM services
- Overall impact is seen to be neutral to positive.

Mitigation plan for above risk

- Improving Network Uptime and Quick provisioning of Power and Fuel to tenancy on site will help retain customers. Also efficiency sharing with customers will be a strategy to retain long term tenancy occupation.
- Look for Collaboration with Industry Leaders in Process Management and Tools to improve the yield and the customer experience out of our Network Operating Centre facility
- Automating KPI performance management by developing a tool to be monitored out of NOC facility.

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 73% of the Company's revenues have come from India. Therefore, the element of customer concentration risk was always very high. 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.
- Historically, the Company's customer base was solely in the telecom sector. This meant a high sector concentration risk.

Pricing Risk

- The Company may face pricing risk from small fragmented players in telecom services.

Competition Risk

- The competitive landscape for the Company is limited in the telecom side of the business. The Energy Management business has been pioneered by the Company. The competition in this field may be from small fragmented players. This is mitigated by our technically advanced Network Operating Centre (NOC) which is unique in the field of Energy Management.

III. OPERATIONAL RISK

Reputation Risk

- The Company still continues to face reputation risk due to the multiple factors like erosion in market capitalization, the debt restructuring and other issues beyond management control and industry dynamics, discussed in this report

Project Risk

- Environmental vagaries - increasing on account of Global warming and seasons are changing rapidly e.g. Early Monsoons, Storms, Floods etc.
- Diesel prices likely to change on daily basis
- Petrol pumps likely to remain closed on Sundays
- Combined impact of the operational efficiency of Energy Management services

Mitigation Plan for above referred Risk

- Development of an end-to-end Energy Management System (EMS) - automated planning and provisioning of energy to site thus making our process dynamic enough to mitigate against environmental vagaries.
- Work out a mutually acceptable process for diesel and EB rate variation with customers
- Use NOC more effectively

Manpower Risk

The Company has not 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 various businesses like Energy Management and Power Distribution businesses to rationalize costs, improve efficiency in delivery and improve profitability.
- Increase NOC capability to remotely monitor network performance as well as energy consumption by augmenting infrastructure in developing application by investing capex.

Technology Risk

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

- Litigations may arise from non-adherence to timely deliverables and SLA
- The legal proceedings initiated by some of the lenders of the Company including winding up petition filed are currently sub-judice and no orders have been passed in this respect.

Regulatory Risk

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has put in place various Internal Controls for different activities so as to minimize the impact of various risks. Also, as mandated by the Companies Act, 2013, the Company has implemented the Internal Financial Control (IFC) framework to ensure proper Internal Controls over financial reporting. Apart from this, a well-defined system of Internal Audit is in place so as to independently review and strengthen these internal controls. The Audit Committee of the Company regularly reviews the reports of the internal auditors and recommends actions for further improvement of the internal controls.

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, 2017 GTL has 5,042 associates directly or indirectly working for the Company as against 4,898 associates in March 31, 2016.

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 80 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	338
Technical	989
HSE	582
Total	1909

4. Health, Safety & Wellbeing (HSE)

As a leading Telecom Services 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.

307 employees have been recognized for their efforts through Passion for Action Program / Spot Awards. 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
- “Skill Development Program” under Pradhan Mantri Kaushal Vikas Yojana is important for focusing on employees skill enhancement and personal growth. It has been decided that the program will be conducted at our premises for the employees from various working categories such as Facility Management Services, Pantry Services and Gardening. The skill development program will help employees to boost their confidence level, morale, shape up personality and enhancement in social status. It would also result in increase of productivity and cost saving
- Initiate “Talent Identification and Development Programme” for employees in managerial cadre. The following methodology will be carried out:
 - Understand the current and the future business skills required
 - Conduct assessment of existing resources and map them with the current and future skills
 - Identify potential and talented resources
 - Assessment of gaps and training requirements

This will help to identify high potential employees for future leadership roles in the Organisation and will assist the succession planning process.

- Raise the bar in the Reward & Recognition program by broad basing the program

QUALITY AND 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 finetune 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 2016-17.

- GTL was re certified in ISO 9001: 2008- Quality Management System (QMS) requirements Certification. Process is initiated for the certification in the upgraded and new version (ISO 9001: 2015)
- GTL continues to be certified in ISO 14001:2004 Environmental Management System (EMS). Soon it will be upgraded to new version (ISO 14001: 2015)
- The OHSAS 18001:2007 (Occupational Health & Safety Assessment Series) Certification is continued after successful audit.
- Further plans are on to have an Integrated Management System (IMS) involving all three QMS, EMS and OHSAS for better management and monitoring.

- We have also initiated a process ,to be certified in ISO 27001:2013 for Information Security Management System (ISMS).

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

Corporate Social Responsibility at Global Group aims to take a balanced approach to address social, economic and environmental issues through diverse programs.

Since the Company is currently in CDR, it is not able to contribute to the Global Foundation which is being managed through the generosity of employees and other donors to whom we express our gratitude for their continued participation and support.

Over the past 13 years, Global Foundation has been extensively working in the field of education, health, disability and community development.

EDUCATION

Education is one of the core functional areas of Global Foundation's interventions. Our philosophy is to ensure meaningful education to the economically underserved sections. Education for Peace and ICT Education are two integral parts of our educational objectives, under which we manage the following programs:

Education for Peace

Global Antarang Life Skills (GALS) Program is an innovative and interactive curriculum for middle school students. These activity workbooks for students from class 6th to 8th impart value education

and builds life skills to create proactive, happy and responsible Global Citizens that would help them develop in to leaders in the future

Global Antarjyot Teachers Training (GATT) - A teachers training program aims to build 21st century competencies in teachers and peace educators to help develop children in a holistic manner

- **Project KNOW (Knowledge on Wheels)**

Global Foundation has been providing a Mobile Computer Lab since 2002. This vehicle reaches out to rural schools in Maharashtra. It stations itself in schools and provides computer education to children in batches

- **Project Gyan IT – Static Lab**

To bridge the digital divide in rural India, Global Foundation also sets up Computer Labs in schools. The foundation imparts computer training for the teachers and organizes annual Computer Proficiency Competition amongst rural students

- **Project Gyanjyot – Education Financial Support Program**

Gyanjyot provides Financial Assistance for self-education and for education of children from families of economically disadvantaged sections of society. A financial assistance is provided for education from Kindergarten up to Post Graduation and Vocational Courses. In special cases, the foundation also supports students for civil services examination and higher level competitive courses

HEALTH

Global Foundation has been working on the rural health program and also provides support to emergency medical cases.

- **Project Arogya - Preventive Health Care Camp**

Global Foundation organizes free medical camps for general health check-up, eye check-up, blood

donation camp, haemoglobin check up, diabetes check up. In 2016-17, 30 health camps were organized benefiting 4162 people

- **Emergency Medical Assistance-** As per the World Health Organization (WHO) survey, there are around 30% people who die due to lack of adequate medical services. The Foundation provides emergency financial assistance that has benefited people with low income that have no or little insurance and health policies

DISABILITY

According to the data by United Nations Convention on the Rights of People with Disabilities, there are a billion persons with disabilities worldwide. One in five of the world's poorest people have disability. For sustainable development we must be inclusive. Through Project Netra, Global Foundation has set up an Advanced Computer Training Centre for Visually Challenged in Mumbai. The centre offers certified basic computer course and an advance computer course. Project Netra aims to contribute towards an inclusive community by bridging the digital divide and giving opportunities for livelihood development and employment to the visually impaired.

We also supported the T20 Blind Cricket World Cup with an objective to encourage the blind sportspersons and to help mainstreaming them.

COMMUNITY DEVELOPMENT

Every year Global Foundation extends its support to other NGOs and institutions. In 2016-17, Global Foundation joined hands with STEM Learning Pvt Ltd to install mini science centres in some schools, Reality Gives to support the Royal City School in Dharavi, Dr Raut Immunotherapy Foundation to provide affordable immunotherapy treatment to people from lower socio-economic background, STEP Trust to build CHINAR (Centre for Hope, Inquiry and Responsibility) a youth centre in Jammu & Kashmir.

DIRECTORS' REPORT

Your Directors submit Twenty Ninth Annual Report together with the Audited Accounts for the year ended March 31, 2017.

1. STATE OF THE COMPANY'S AFFAIRS

FINANCIAL HIGHLIGHTS

(₹ in Crore)

Particulars	FY 2016-17		FY 2015-16*	
	Consolidated	Standalone	Consolidated	Standalone
Total Income	1,673.68	1,254.62	1,722.99	1,280.50
Profit / (Loss) before Depreciation, Interest and Financial Charges (Net), Exceptional items and Tax (PBDIT)	(50.69)	(40.65)	(352.31)	8.98
Profit / (Loss) before Depreciation, Exceptional and Tax (PBDT)	(656.38)	(588.77)	(961.84)	(550.82)
Less: Depreciation	50.00	47.42	100.85	98.48
Profit / (Loss) before Tax, exceptional item and extra-ordinary items	(706.38)	(635.19)	(1,062.69)	(649.30)
Exceptional items	Nil	Nil	(1,587.90)	(1,724.41)
Less: Provision for Taxation (incl. Short Provision for Income Tax and Deferred Tax)	(4.46)	5.33	(13.00)	Nil
Profit / (Loss) after Tax (PAT) before Extra-ordinary and Prior Period items	(711.54)	(629.86)	(2,663.59)	(2,373.71)
Add / (Less): Extra-ordinary item	Nil	Nil	Nil	Nil
Add: Minority Interest	(0.91)	N.A.	0.06	N.A.
Add: Share of Profits in Associates	281.34	N.A.	(146.06)	N.A.
Loss For The Year From Continuing Operations	(993.79)	(629.86)	(2,809.59)	(2,373.71)
Loss for the year from discontinued operations	Nil	Nil	(58.02)	(39.74)
Other Comprehensive Income for the year	(0.59)	(0.44)	(0.14)	(0.05)
Total Comprehensive Income for the period (net of Tax)	(994.38)	(630.30)	(2,867.75)	(2,413.50)
Add: Balance brought forward from the last year	(6,898.15)	(4,941.46)	(4,030.40)	(2,527.96)
Profit / (Loss) available for Appropriation	(7,892.53)	(5,571.76)	(6,898.15)	(4,941.46)
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	(7,892.53)	(5,571.76)	(6,898.15)	(4,941.46)

* In view of the application of Ind-AS, the figures for the previous year 2015-16 are recast.

2. RESULTS OF OPERATIONS

The financial highlights of the Company on a standalone basis for the financial year under review are as follows:

- Total Income is ₹ 1,254.62 Crore as against ₹ 1,280.50 Crore for the previous financial year.
- Profit / (Loss) (before Depreciation, Interest and Financial Charges (Net), Exceptional Items and Tax) (PBDIT) is ₹ (40.65) Crore as against profit of ₹ 8.98 Crore for the previous financial year.
- Profit / (Loss) after Tax (PAT) is ₹ (629.86) Crore as against ₹ (2373.71) Crore for previous financial year.

3. CORPORATE DEBT RESTRUCTURING (CDR)

As you are aware, the Company was admitted into CDR w.e.f. July 1, 2011 on account of the adverse circumstances surrounding the telecom sector. The Company made regular payments following its admission into CDR and such payments continued till May 2014.

Compliance and Fulfillment of Commitments:

GTL undertook all the actions in compliance with CDR requirements like monthly concurrent audits, creation of security in favor of CDR Lenders, monitoring and administration of cash flows through Trust and Retention Account (TRA) etc. To support the Company, the promoters brought in their own contribution of ₹ 83.45 Crore. GTL kept a strong focus on servicing lenders and took following positive steps since sanction of CDR in December 2011:

- From July 2011 to date aggregate of principal / interest and all other payments made to several Lenders were ₹ 2334.50 Crore;
- Paid ₹ 566.59 Crore to the Government towards various taxes including VAT, Service Tax etc.;
- Issued equity shares to CDR Lenders for value of ₹ 189 Crore;

Post CDR Developments

Continued adverse developments in the Telecom and Power sector prevented the Company's revival as per CDR scheme approved. Some of the key developments that took place in our industry and customers include:

Telecom

- Cancellation of 122 Nos. of 2G licenses under Supreme Court of India (SC) judgment in February 2012:
The cancellation impacted operators like Uninor, Videocon, Etisalat, IDEA, Tata etc.;
- New Spectrum auction met with a sluggish response:
Operators made an investment of ₹ 1.2 Lac Crore till 2015-16, however, only 3-4% of the 3G and BWA subscriber targets were achieved;

Government of India held the 2016 Spectrum Auction in 800,1800 and 2300 Mhz. bands which concluded with 31 rounds of bidding. Total value of bids at the end were ₹ 65,789 Crore, instead of the ₹ 5,60,000 Crore expected by the government, based on the reserve prices set by TRAI. Only 965 MHz of the total 2,354.55 MHz of spectrum was sold, which is around 40%;
- Freeze on fresh debt and equity in telecom sector:
Combination of financial stress, tax claims and investigation of promoters and government bodies related to earlier spectrum allocation resulted in complete freeze of fresh capital outlays towards the sector;
- Aircel Group's suspension / cancellation of 20,000 tenancy commitments in 2014:
GTL had prepared itself for significant revenue opportunity aggregating ₹ 17,170 Crore over 5 years as turnkey service provider to its associate Tower companies (Tower Co.) which had in turn got commitment to lay out infrastructure for 20,000 new tenancies from Aircel Group. The details of the business opportunity for GTL were contained in the Notice of postal ballot dated January 14, 2010 to shareholders as summarized 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

However, due to certain industry developments, the Aircel Group had to curtail its expansion plans leading to closing down of operations in non-viable telecom circles. In July 2013, Aircel Group terminated major portion of its tenancy commitments to the Tower Co. leading to significant loss to the Company as by then it had already made investments and arrangements to service the requirements of Tower Co. / Aircel Group and premature termination caused massive losses to GTL group;

- BSNL suspension of fixed line contract:

In 2010 GTL bid for EPC work of PAN India radio sites roll out by Bharat Sanchar Nigam Ltd. (BSNL). Based on successful bid outcome, GTL had estimated contract allocation of work totaling ₹ 5,500 Crore. The Company had deployed financial and business resources for timely delivery.

The entire contract was subsequently litigated by some of failed bidders and based on recommendation of Central Vigilance Commission, BSNL cancelled the contract awarded to various parties. The cancellation not only resulted in loss of EBITDA estimated at ₹ 806 Crore, but also diminished value of assets and investments made by the Company to get ready for the delivery under BSNL Letter of Intent.

Power

GTL was impacted by combination of external factors and poor financial strength of its clients. DISCOMS are heavily indebted and nearly ₹ 1.5–1.7 Lakh Crore of their debt was restructured. Some of the other direct developments that impacted Power business of GTL include:

- Unilateral cut down in power tariff by 20% in the state of Maharashtra, where GTL had its operations.
- Higher than disclosed level of T&D losses impacting profitability of the Company's operations.
- Delay in power tariff hikes which was essential for financial sustainability and growth of the sector, consequently GTL could never recover this business back to its financial strength required to service the debt obligations in full.
- Contractual failures on the part of Maharashtra State Electricity Distribution Company Limited (MSEDCL) in performing their obligations, as discussed below.

Cancellation of MSEDCL Contract

After pursuing for nearly two years, the Company successfully won contract from MSEDCL in May 2011. Execution of this contract required Capex of ₹ 192 Crore and issuance of Stand-by Letter of Credit (SBLC) to MSEDCL for which limits were duly approved in CDR.

Subsequently, certain lenders failed in issuing the SBLC, which added along with operational and contractual issues with MSEDCL resulted in termination of contract on November 17, 2014.

Additionally, MSEDCL also failed on several of their contractual obligations causing huge losses to the Company. The net result was that the Company lost an annual revenue of approximately ₹ 1,200 Crore and contracted revenue over remaining 12 years of ₹ 18,000 to ₹ 19,000 Crore. Thus, it could not achieve projected business targets. Nevertheless, the Company is pursuing various contractual default related claims against MSEDCL including but not limited to wheeling charges, unauthorized use of feeders by MSEDCL, Capex Claims and false representation.

As it can be summarized from above, the issues governing the telecom and power sector had a negative impact on the performance of the Company. The Company lost a substantial portion of its revenue and EBITDA on account of circumstances beyond the management control.

Current Status

When the Company realized the potential difficulties for servicing its debt obligations any further, it presented a corrective action plan by way of a negotiated settlement proposal or a "One Time Settlement" (OTS) for monetization of assets in the Joint Lender Forum ("JLF") meeting held on November 13, 2014. This proposal was a voluntary proposal for monetization of substantially all of businesses, assets and investments – solely with a view to settle the dues of lenders. The Company had placed two viable offers for sale of the Operations, Maintenance and Energy management ("OME") business and its international business. These actions clearly demonstrate the Company's bona fides and intent.

In a high level JLF meeting held on December 4, 2015, where senior officials of the banks were present, the CDR lenders approved in-principle the monetization proposal of the Company, based on the Valuation Report

dated July 17, 2015 prepared by one of the well known firms of Chartered Accountants, appointed by the lenders, was accepted.

The following is the excerpt of the relevant portion of the minutes of the JLF meeting held on December 4, 2015 – 'Based on the discussions held and views expressed by all lenders during the meeting, it was concluded that the lenders were in-principle agreeable to consider the OTS proposal submitted by the company. IDBI Bank informed the JLF that it would approach CDR-EG with a combined proposal for Exit-cum-OTS of the dues. IDBI Bank requested all the lenders to obtain necessary approval as early as possible, positively before December 31, 2015.'

Though the Company's settlement proposal was approved by the high level JLF way back in December 2015, only a few lenders had given their approvals for the same and balance approvals have been pending due to inter-creditor issues.

In the Valuation Report it is specifically mentioned that the delay in implementing the OTS would diminish the enterprise value of the Company. Despite this specific observation, the approvals from only few lenders were received in March 2017. This has resulted in the potential buyer for OME business calling off the transaction agreed earlier. In the case of the OME business, not only the Company had executed a business transfer agreement on September 30, 2015, but had also obtained the approval of the Competition Commission of India. Unfortunately, the buyer could not wait longer and accordingly, by a letter dated January 6, 2017 the Company had to inform the lenders of the potential buyer's inability to go ahead with deal due to inordinate delay from the lenders' end and changed circumstances.

The inter-creditor issues further led to filing of winding up petition by the NCD holder and issue of notices / obtaining of order from a Court by the ECB lenders. Most issues, in the opinion of the management, are required to be resolved amongst lenders themselves. This has impaired the Company's ability to settle lenders in an optimum and timely manner.

In the meanwhile, post CDR, the Company was subjected to multiple external audits including special audit, concurrent audits, due diligence, business valuation exercise, stock audit and forensic audit but none of the audits reported any material discrepancy in operations or working of the Company. Furthermore, no adverse findings were 'observed' against the management.

The Company has been making continuous efforts to give effect to the OTS proposal in a time bound manner as the realizations depend upon the market conditions.

In fact, the various recent adverse developments in the telecom sector have serious repercussions for the industry and consequently for the Company in making anticipated payments to the lenders. Still the Company continued its efforts with a view to settle the dues of the lenders in an amicable way. While doing so, it is also taking steps to sort out pending matters directly and indirectly involving the Group, to the extent possible, so that all matters of the Group are settled simultaneously in an amicable way. As could be seen from the following excerpt of the minutes of the JLF meeting held on March 18, 2017, the relentless efforts of the Company has brought out the required results:

'After further detailed discussion, the lenders concluded that:

- a. based on the findings of the Forensic Audit Report, clarifications received from the company and further clarifications given by the auditors, there were no conclusive evidence of diversion of funds and hence the lenders could close the Forensic Audit;
- b. All the lenders agreed that IDBI, as MI, might take further steps;
- c. It was also agreed that, lenders would expedite the process of approval of settlement and strive to complete the same by June 2017.'

On this background, based on the settlement proposal agreed by the lenders, the Company would not make provision for interest from FY 2017-18.

Going Concern

The Company has made a proposal for a negotiated settlement of debts which has been agreed in principle by all the lenders. The management is of the view that upon implementation of the Company's negotiated settlement proposal, the Company would be in a position to meet its liabilities and continue its operations. In view of the above, the Company continues to prepare financial statements / results on a Going Concern basis.

Investments

The Company has strategic and long term equity investments in Associates, GTL Infrastructure Ltd. (GIL) and Chennai Network Infrastructure Ltd. (CNIL) Both companies were admitted into CDR. However, during the year, the JLF of these associates at the behest of these companies unanimously agreed to invoke the Strategic Debt Restructuring Scheme ("SDR Scheme") in September 2016. The SDR Scheme envisages a conversion of part of the debts held by the lenders into equity so as to pare down the existing debt to more sustainable levels. The shareholders of GIL and CNIL respectively approved the issuance of shares to its secured lenders pursuant to the SDR scheme in March 2017. The share in associates is accounted under Equity method as per (Ind-AS 28) "Accounting for Investment in Associates and Joint Ventures" in the Consolidated Financial Statements based on audited / unaudited accounts of associates.

Reduction in Promoter's Shareholding

Pursuant to invocation of pledge of the shares of the Company held by Global Holding Corporation Private Ltd (GHC), one of the Promoters of the Company, the Promoters' shareholding in the Company has come down by 13.99% and necessary disclosures / filings have been done in compliance of regulatory requirements. GHC has filed appropriate legal defense and the matter is currently *sub-judice* as GHC believes that such actions have been incorrect.

4. RECENT DEVELOPMENTS AT MACRO & MICRO ECONOMIC LEVELS

Key Indicators:

- The number of wireless subscribers in India increased from 1,033.67 million at the end of Mar-16 to 1,170.18 million at the end of Mar-17.
- The urban subscription increased from 588.79 million at the end of Mar-16 to 672.42 million at the end of Mar-17.
- The rural subscription increased from 444.84 million at the end of Mar-16 to 497.76 million at the end of Mar-17.
- The monthly growth rates of urban and rural subscription were 0.12% and 1.05% respectively during the month of Mar-17.
- The overall Tele-density in India increased from 83.36 at the end of Mar-16 to 91.08 at the end of Mar-17.
- The share of urban subscribers and rural subscribers at the end of Mar-17 was 57.46% and 42.54% respectively.

Telecom Market Highlights:

- Increasing pressure on profitability, competition, spectrum trading and sharing guidelines and favorable M&A policy has driven the consolidation trend in telecom market.
- In August 2016, spectrum auction took place with the largest quantum of spectrum being made available by the Government of India. However, the auctions witnessed muted response, primarily on account of high reserve prices.
- For a large part of 2016, mobile tariffs remained steady. However, with the disruptive entry of a new operator, the sector witnessed innovative tariff structures.
- The average data consumption per user is increasing, with increased adoption of smart phones and availability of content. The overall data traffic grew by 76% y-o-y in 2016, driven by an 85% surge in 3G data traffic.
- The Department of Telecommunications (DoT) has amended the Unified License for telecom operations which will allow sharing of active telecom infrastructure like antenna, feeder cable and transmission systems between operators, thereby lowering the costs of operations and leading to faster rollout of networks.

5. 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, 2017.

6. SHARE CAPITAL AND NON CONVERTIBLE DEBENTURES (NCDs):**i) 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, 2016	157,296,781
Add: Allotment of equity shares during the year	Nil
Equity Capital as on March 31, 2017	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 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 under the Companies (Share Capital and Debentures) Rules, 2014 are not furnished.

ii) Preference:

During the FY 2012-13, the Company had issued and allotted 0.01 % - 65,00,00,000 Non-Participating Optionally Convertible Cumulative Preference Shares (OCPS) of the face value of ₹ 10/- each aggregating ₹ 650 Crore. 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. 20.2. 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.

iii) NCDs:

During the FY 2009-10, the Company had privately placed 14,000 Rated Redeemable Unsecured Rupee NCDs of the face value of ₹ 10 Lakh each aggregating ₹ 1,400 Crore, which were listed under debt segment of BSE Limited. In view of pending restructuring of NCDs due to non-completion of documentation, currently, the same are suspended for trading. This matter is awaiting inter-creditor dispute resolution. The winding-up petition filed by the NCD holder in the Bombay High Court is *sub-judice*. At the JLF meeting, the NCD holder had informed that it has also approved the negotiated settlement proposal and once the approval from other Lenders are received, they would file Consent Terms at Bombay High Court for withdrawing its winding-up petition.

7. FIXED DEPOSITS:

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

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Sunil S. Valavalkar – Whole-time Director retires by rotation and being eligible, offers himself for reappointment.

The background of the Director proposed for reappointment is given in the Corporate Governance Report, which forms part of this Report.

In terms of the provisions of the CDR documents, IDBI Bank Limited nominated Mr. Badri Srinivasa Rao, Chief General Manager, NPA Management Group w.e.f. November 28, 2016 as Nominee Director in place of Mr. Dilip Kumar Mandal, Chief General Manager who served on the Board w.e.f. October 1, 2014.

The Board places on record its deep appreciation and respect for the valuable advice and guidance received from Mr. Dilip Kumar Mandal during his tenure as a Director of the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 (the Act), currently, Mr. Manoj G. Tirodkar - Chairman & Managing Director, Mr. Sunil S. Valavalkar – Whole-time Director, Mr. Vidyadhar A. Apte - Company Secretary and Mr. Milind V. Bapat - Chief Financial Officer are the Key Managerial Personnel of the Company.

9. 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, as amended, 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	11.46
Mr. Sunil S. Valavalkar	2.75
Non-executive Directors (Sitting Fees only) *	Ratio to median remuneration
Mr. Vijay M. Vij	N.A.
Mr. D. S. Gunasingh	N.A.
Mr. Navin J. Kripalani	N.A.
Mr. Dilip Kumar Mandal (up to November 27, 2016)	N.A.
Mrs. Siddhi M. Thakur	N.A.
Mr. Badri Srinivasa Rao (w.e.f. November 28, 2016)	N.A.

* 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. Sunil S. Valavalkar - Whole-time Director	No change
Mr. Vijay M. Vij	N.A.
Mr. D. S. Gunasingh	N.A.
Mr. Navin J. Kripalani	N.A.
Mr. Dilip Kumar Mandal (up to November 27, 2016)	N.A.
Mrs. Siddhi M. Thakur	N.A.
Mr. Badri Srinivasa Rao (w.e.f. November 28, 2016)	N.A.
Mr. Milind V. Bapat - Chief Financial Officer	No change
Mr. Vidyadhar A. Apte - Company Secretary	No change

- iii) **The percentage increase in the median remuneration of employees in the financial year:** 11%

- iv) **The number of permanent employees on the rolls of Company:** 397

- v) **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:**

The average annual increase in salaries of employees is 8.9% and there is no change in managerial remuneration during the year.

- vi) 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.

10. DIRECTORS RESPONSIBILITY STATEMENT:

In terms of the provisions of Section 134(3)(c) of the Act, the Board of Directors, to the best of their knowledge and ability, in respect of the year ended March 31, 2017, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;
- ii) 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;
- iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they had prepared the annual accounts on a going concern basis;
- v) 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
- vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. 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 Act.

12. 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 Act, 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 this Report.

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

The Board of Directors has carried 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 by the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

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, providing of information and functioning etc. The Board and Nomination & Remuneration Committee 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 issues 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.

14. MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report (MD&A Report) for the year under review, as stipulated under Regulation 34 read with Schedule V to the Listing Regulations, is presented in a separate section forming part of the Annual Report.

15. CORPORATE GOVERNANCE & VIGIL MECHANISM:

A separate Corporate Governance Report on compliance with Corporate Governance requirements as required under Regulation 34(3) read with Schedule V to the Listing Regulations forms part of this Report. The same has been reviewed and certified by M/s. Godbole Bhawe & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants the Joint Auditors of the Company and Compliance Certificate in respect thereof 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 permanent employees for reporting genuine concerns, if any.

16. RISKS:

A separate section on risks and their management is provided in the MD&A Report forming part of the Annual Report, which covers the development and implementation of risk management framework. The Audit Committee monitors the risk management plan and ensures 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 stakeholders and prospective investors to take an independent view. We strongly urge stakeholders / investors to read and analyze these risks before investing in the Company.

17. CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and other details are furnished in **Annexure B** of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For CSR initiatives undertaken by Global Foundation, please refer to MD&A Report under the caption "Corporate Social Responsibility". The CSR Policy is available on the Company's website www.gtllimited.com.

18. AUDIT COMMITTEE:

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

19. AUDITORS AND AUDITORS' REPORT:

Joint Auditors:

M/s. Godbole Bhawe & 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 (AGM). Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, since the term of appointment of the Joint Auditors is expiring at the conclusion of the ensuing AGM, the Audit Committee and the Board has recommended appointment of M/s GDA & Associates (FRN: 135780W), Chartered Accountants, Pune, as the Auditor of the Company for holding office from conclusion of the Twenty Ninth (29th) AGM till the conclusion of Thirty Fourth (34th) AGM. The Company has received the necessary certificate from the Auditor pursuant to Section 139 of the Act regarding their eligibility for appointment. In pursuance of the provisions of Section 139 of the Act, an appropriate resolution for the appointment of M/s GDA & Associates (FRN: 135780W), Chartered Accountants, Pune, as an Auditor of the Company is being placed at the ensuing Annual General Meeting.

Cost Auditors:

In terms of the Companies (Cost Records and Audit) Rules, 2014, as amended, 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 Auditors from the financial years 2015-16 onwards.

Joint Auditors' Report

As regards the Joint Auditors' comment / observation / emphasis of matters, the Board has furnished required details / explanations in Note Nos. 6.3, 24.4, 40.c.2 and 48 of Notes to Standalone 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.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans, guarantees and investments have been disclosed in the financial statements as under:

No loans are given by the Company to any person / entity except to its employees as at March 31, 2017.

Details of Corporate Guarantees given by the Company as at March 31, 2017 are as under:

(₹ in Crore)

Sr.	Name of the Company	As at March 31, 2017	As at March 31, 2016
1	Subsidiaries	161.88	165.39
2	Other Body Corporate	425.00	425.00

Refer Note No 8.2 of notes to financial statements

The Company 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.

Details of investments made by the Company are given under the respective heads (refer Note 6 of notes to the Standalone financial statements).

21. PARTICULARS OF RELATED PARTY TRANSACTIONS:

All related party transactions 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 are furnished in **Annexure D** (Form No. AOC-2) to this report.

22. 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.

23. SUBSIDIARIES:

The Company has been carrying on its domestic and international operations through some of its subsidiaries. The operations of most of the subsidiaries are loss making on account of the general economic slowdown and the factors affecting the Telecom Industry. On account of the admission of the Company into CDR, it is unable to extend both operational and financial support to the subsidiaries. Under these circumstances, except some of the subsidiaries,

whose operations are viable, the operations of other subsidiaries have been scaled down or closed down. In view of this, the Company is continuing operations only in those projects and countries, which have potential for growth at low working capital. The Company has closed / liquidated operations in subsidiaries in Kenya, Bangladesh, China, Malaysia, Indonesia, Tanzania, Philippines, KSA and Nigeria, while it is continuing its operations in UK, Myanmar, Nepal, Singapore and UAE.

Further, as per the negotiated 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 *inter-alia* investments in its subsidiary companies, for which appropriate resolution was passed in 28th Annual General Meeting held on September 21, 2016.

Pursuant to Indian Accounting Standard 110 (Ind-AS 110) 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, 2017, on a consolidated basis is ₹ 415.15 Crore (US\$ 62 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).

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

[Steps taken / actions initiated by the Company for and on behalf of its customer's viz. telecom operators, telecom tower companies and Original Equipment Manufacturers (OEMs)]

a) Conservation of Energy:

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

- Achieved 'Diesel Free' status as defined by TAIPA, on 7,875 telecom sites.

This has been achieved through constant new EB connection, timely rectification and up keeping of existing EB infrastructure.

- Set up of Validation, Assessment and Dimensioning (VAD) service group as new initiative. The group carried out the following activities:
 - Validation of existing infrastructure;
 - Assessment from power dimensioning perspective;
 - Recommendation for site specific infrastructure up gradation.

The activity resulted into turnaround of high diesel consumption circles across PAN India and improvement in the energy efficiency.

- Set up of Central Energy Tracking team for analyzing the effect of the site infra up gradation activity and new tenancy increase.

The monitoring through various dashboards led to revision of energy cycle and consumption pattern in critical circles.

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

- For Carbon Emission reduction, undertook the deployment of Deep Discharge and Quick Recharge Storage (QRS) Batteries in various Circle.

iii. the capital investment on energy conservation equipments:

Not Applicable

b) Technology Absorption:

i. the efforts made towards technology absorption:

- Tower monitoring methodology for operators using Network Management Software and additional bespoke portals such as for Idea telecom and Service Desk tool like HP service management such as for Rjio, to monitor additional sites across different clusters and circles on PAN India basis;

- Successful PoC being conducted for Automation of Trouble Tickets (TTs) from these operator portals to BMC Remedy TT application and integrating it with SMS alarm alerts by BOTS using Artificial Intelligence;
- Testing and PoC for Internet of Things (IoT) solutions such as Video Surveillance; Workforce Tracking (WFT); Fleet Management on few sites basis;
- Automation & designing of Key Performance Indicators (KPI performance) portal as per focused initiative for a specific circle as required by the customer by creating a Online portal which will display various key performance Indicators such as geo coordinates mapping of tower sites on the circle map of India, trouble tickets with RCA details etc. like parameters for the circle using Java++ for application development;
- Integration of various data inputs such as OSS logs from various OEMs like NSN, Ericsson, ZTE, Huawei, trouble tickets from Remedy tool, preventive maintenance data of site assets, Capex and Opex deployment data; Resource management data to generate focused circle specific Business Intelligence using Big Data & Analytics;
- Creating an algorithm logic (software application framework) as per Master Services Agreement (MSA) by using various data inputs and sources to compute monthly KPIs, SLAs;
- Implemented using best in class hardware, software and security platforms such as IBM, Cisco, Fortinet at state of the art infrastructure of Global Command Centre (GCC) at Hinjewadi, Pune having intelligent video walls, functional data centre with hosting and collocation facilities, Storage and Virtualisation for High Availability/High Performance (HA/HP) architecture etc. to fully support the active and passive Infrastructure of telcos enterprises in terms of tracking preventive maintenance, alarms verifications, vendor management and coordination with testing and absorption facilities like IoT Experience Center for new emerging technologies such as internet of Things (IoT).

ii. **the benefits derived like product improvement, cost reduction, product development or import substitution:**

- Contractual compliance and Service delivery as per MSA to measure Sites Uptime performance on daily/monthly basis across various KPIs / SLAs for these telcos and additional sites and tenancies are now being monitored across 24x7 resulting enhancing the Up-time;
- On Time reporting of these Trouble Tickets for timely action to meet KPIs / SLAs with high level data integrity without manual errors;
- To Enhance visibility, efficiency and productivity of sites and resources;
- For better project management of focused initiative with timely decision making to meet KPIs/SLAs;
- Using various types of data dimensions such as volume, variety, velocity and veracity of Big Data and Analytics insights one can measure performance, enhance and improve it to make efficient operations;
- On Time reporting of these KPIs / SLAs with high level data integrity;
- Will help in achieving and managing high level of scalability with higher alarms load, reliability with error free operations, flexibility in allocating technological resources and services and adoptability to new and emerging technologies.

This helps in managing the major operations with enhanced ability with higher efficiency, optimizing resources, value for money for customers in terms of services delivered.

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: ₹ 0.96 Crore
- b. Recurring: ₹ 3.15 Crore

c) Foreign exchange earnings and Outgo:

During the year under review, the Company earned in terms of actual inflows foreign exchange of ₹ Nil and the foreign exchange outgo in terms of actual outflows / expenditure is ₹ 39.11 Crore.

25. 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 the Annual Report.

26. HUMAN RESOURCES:

Our associate base stood at 5,042 as on March 31, 2017 as against 4,898 as on March 31, 2016. For full details refer to the Human Resources write up in the MD&A Report, which forms part of the Annual Report.

27. EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2017:

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

28. NUMBER OF BOARD MEETINGS HELD DURING THE FY 2016-17:

5 (Five) meetings of the Board were held during the year, details of which are furnished in the Corporate Governance Report that forms part of this Report.

29. PROMOTER GROUP:

The Company is a part of Global Group of Companies, promoted by Mr. Manoj G. Tirodkar. The promoter group holding in the Company currently is 30.25% 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.

30. PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 197(12) of the Act read with sub-rules 2 & 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, names and other particulars of the top ten employees in terms of remuneration drawn and the name of every employee who is in receipt of such remuneration stipulated in said Rules are required to be set out in a statement to this report. Further, the report and the Financial Statement are being sent to the shareholders excluding the aforesaid statement. In term of Section 136 of the Act, the said statement 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 statement is related to any Director of the Company.

31. SPECIAL BUSINESS:

As regards the items of the Notice of the Annual General Meeting relating to Special Business, the Resolution(s) incorporated in the Notice and the Explanatory Statement relating thereto, if any, 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.

32. ACKNOWLEDGEMENT:

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

On behalf of the Board of Directors,

Mumbai
August 8, 2017

Manoj G. Tirodkar
Chairman & Managing Director

ANNEXURE A TO DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members
GTL Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with GTL Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations").

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

AUDITORS' RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor of 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. Bhawe
Partner
Membership No.038812

Mumbai
August 8, 2017

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

S. S. Yeolekar
Partner
Membership No. 36398

ANNEXURE B TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2016-17 [Pursuant to 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 will undertake, when permissible, 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 Corporate Social Responsibility Committee of Directors comprising of Mr. Manoj G. Tirodkar - Chairman of the Committee, Mr. Navin J. Kripalani, Mr. Sunil S. Valavalkar and Mrs. Siddhi M. Thakur.

3. Average net profit of the Company for last three financial years: Loss (₹1,281.70 Crore)

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: 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.

Place: Mumbai
Date : August 8, 2017

Manoj G. Tirodkar
Chairman & Managing Director and
Chairman - Corporate Social
Responsibility Committee

ANNEXURE C TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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) for the year ended on March 31, 2017 (the 'audit period'). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conduct /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, 2017 has prima facie complied with the statutory provisions listed hereunder:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 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;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meeting and minutes.

During the period under review, provisions of the following regulations were not applicable to the Company for the financial year ended 31st March, 2017:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

During the period under review the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that:

- a) Non convertible debenture holders of the Company and Optionally Convertible loan holders of an associate wherein the Company had given the put option had filed the petitions for winding of the Company and the matters are currently sub-judice.
- b) The Company had made settlement proposal and the same has been agreed in-principle by all sets of lenders viz. CDR, NCD and ECB lenders.
- c) Debenture Redemption Reserve not created due to non-availability of profit.
- d) In relation to non-payment of dues to the holders of Non Convertible Debentures, on the basis of the legal opinion obtained by the Company on the provision of Section 164 (2) of the Companies Act, 2013 and representation/application made by the Company to the Central Government seeking relief in the matter, which is under consideration, none of the directors are disqualified.

I further report that:

- (a) I rely on statutory auditor's report for the financial year 2016-17 in relation to the financial statements and accuracy of the financial figures for, Sales Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC etc. as disclosed under financial statements, Ind AS 24 & note on foreign currency transactions during our audit period.
- (b) 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.
- (c) As per the information provided 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.
- (d) As per the information provided majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (e) There are prima facie adequate systems & processes in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines subject to observations made by statutory auditors in their report.
- (f) 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.
- (g) During the audit period the Company had no specific events like Public/Right/Preferential issue of shares/debentures/sweat equity, etc.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date : August 08, 2017

Virendra Bhatt
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	Contracts / Arrangement / transactions value (₹ Crore)	Date(s) of approval by the Board, if any	Amount paid as advances, if any (₹ Crore)
GTL Infrastructure Limited	Associate	Energy Management Agreement	10 Years w.e.f. April 1, 2015	Provision of Power (Electricity) and Fuel under Fixed Energy Management Services Contract	321.98	N.A.	Nil
Chennai Network Infrastructure Limited	Associate	Energy Management Agreement	10 Years w.e.f. April 1, 2015	Provision of Power (Electricity) and Fuel under Fixed Energy Management Services Contract	216.46	N.A.	Nil

For and on behalf of the Board

Place: Mumbai
Date : August 8, 2017

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 of the Act 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

(amounts in ₹ Crore)

Sr. No.	Name of the Subsidiary Company	Date since when Subsidiary was Acquired	Reporting Currency	Reporting Period	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/Interim Dividend	% of Shareholding
Operating Companies																			
A	ADA Cellworks Wireless Engineering Pvt. Ltd.	29-Jan-2010	INR	31-Mar	1,000	1,000	1,000	0.09	1.22	1.33	1.33	1.33	NIL	NIL	NIL	(0.03)	NIL	NIL	100%
B	International Global Tele-Systems Ltd.	10-Jul-1995	USD	31-Dec	67,905	67,905	67,411	487.30	(1,083.00)	114.43	114.43	114.43	NIL	NIL	NIL	(176.81)	(176.81)	NIL	100%
C	GTL International Ltd.	16-May-2007	USD	31-Dec	67,905	67,905	67,411	54.32	(149.30)	326.88	326.88	326.88	NIL	6.01	(32.75)	NIL	(32.75)	NIL	100%
C.1	GTL (Singapore) Pte. Ltd.,	04-Aug-1995	USD	31-Dec	67,905	67,905	67,411	2.04	46.21	48.94	48.94	48.94	NIL	21.82	24.28	0.83	23.45	NIL	100%
C.2	GTL Overseas (Middle East) DMCC	30-Mar-2014	AED	31-Dec	18,604	18,604	18,469	0.09	(18.89)	6.54	6.54	6.54	NIL	17.63	(3.62)	NIL	(3.62)	NIL	100%
C.3	GTL Europe Ltd.	17-Oct-2006	GBP	31-Dec	83,384	83,384	86,276	4.17	2.90	63.79	63.79	63.79	NIL	211.14	15.64	3.17	12.48	14.67	100%
C.4	GTL Nepal Pvt. Ltd.	17-Sep-2009	NPR	31-Dec	0.637	0.637	0.632	1.24	12.49	53.12	53.12	53.12	NIL	62.64	13.67	3.39	10.28	18.82	100%
C.5	iGTL Myanmar Limited	28-Jul-2014	MMK	31-Mar	19,727	19,727	19,872	1.18	9.50	39.95	39.95	39.95	NIL	109.16	9.11	2.28	6.83	5.19	100%

1. Names of subsidiaries which are yet to commence operations: Not Applicable

2. Names of subsidiaries which have been liquidated or sold during the year:

In view of being dormant, operations of step-down subsidiaries in Kenya, Bangladesh, China, Malaysia, Indonesia, Philippines, Tanzania, Philippines, KSA and Nigeria were discontinued / liquidated.

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	Date on which the Associate was Associated or Acquired	Shares of Associates held by the Company on the year end			Net worth Attributable to shareholding as per latest audited Balance Sheet (₹ in Crore)		Loss for the year including Share in other comprehensive income of associates		Description of How there is significant influence	Reason why the Associates is not Consolidated
				No.	Amount of Investment in Associates (₹ in Crore)	Extent of Holding %	Balance Sheet (₹ in Crore)		Considered in Consolidation (₹ in Crore)	Not Considered in Consolidation (₹ in Crore)		
1	GTL Infrastructure Limited	31-Mar-17	04-Feb-2004	345,763,466	591.55	14.05%	(200.74)		Nil	Nil	Note —A	N.A.
2	Global Rural Netco Pvt. Ltd.	31-Mar-16	04-Sep-2009	75,000,000	75.00	42.86%	(164.38)		Nil	Nil	Note —B	N.A.
3	Chemai Network Infrastructure Ltd.	31-Mar-17	12-Mar-2010	1,700,742,399	1,637.48	25.79%	251.09		(281.40)	Nil	Note —B	N.A.

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 an associate.
- There is significant influence due to percentage (%) of Share Capital.
- On adoption of Ind AS effective April 1, 2015, the share of loss attributable to the Company up to March 31, 2015 of ₹ 591.55 Crore in GTL Infrastructure Limited and ₹ 939.95 Crore in Chemai Network Infrastructure Limited has been adjusted against retained earnings.
- The Share in loss in associates GTL Infrastructure Limited and Global Rural Netco Pvt. Ltd. stands recognised to the extent of investment held in these associates.

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. Tirotkar

Chairman & Managing Director

Sunil S. Valavalkar

Whole-time Director

Vijay M. Vij

Director

Place : Mumbai

Date : August 8, 2017

Milind Bapat

Chief Financial Officer

Vidhyadhar 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, 2017**

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

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	Indian Non-Government Company limited by Shares
v	Address of the Registered office and contact details	<p>'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</p>
vi	Whether listed company	Yes (Listed in BSE & NSE)
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	<p>'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.</p>

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	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
SUBSIDIARY - OPERATING COMPANIES				
1	Ada Cellworks Wireless Engineering Pvt. Ltd. Regd.Off: Global Vision, ES-II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai 400 710 MH. CIN / GLN : U64203MH2004PTC223982	Subsidiary	100	2(87)(ii)
2	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)

Sr. No.	Name and Address of the Company	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	CIN / GLN			
3	GTL International Limited Regd. Office: Clarendon House, 2, Church Street, Hamilton, HM 11, Bermuda CIN / GLN : N.A.	Subsidiary	100	2(87)(ii)
4	GTL (Singapore) Pte Ltd. Regd. Office: 78, Shenton Way, #2 6-02A, Singapore 079120 CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
5	GTL Overseas (Middle East) DMCC (Formerly known as 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)
6	GTL Europe Limited Regd. Office: Global House, Spitfire Close, Ermine Business Park, Huntingdon, PE29 6 YA, United Kingdom CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
7	GTL Nepal Pvt. Ltd. Regd. Office: Kotheshwor-35, Balkumari, Kathmandu, Nepal CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
8	iGTL Myanmar Ltd. Regd. Office: G1-19, Block D, Pearl Condominium, Kabaaye Pagoda Road, Bahan Township, Yangon, Myanmar. CIN / GLN : N.A.	Step down Subsidiary	100	2(87)(ii)
ASSOCIATE COMPANIES				
9	GTL Infrastructure Limited Regd.Off: Global Vision, 3 rd Floor, ES-II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai 400 710 MH. CIN / GLN : L74210MH2004PLC144367	Associate	14.87	2(6)
10	Global Rural Netco Limited Regd.Off: Global Vision, ES-II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai 400 710 MH. CIN / GLN : U64200MH2009PLC192365	Associate	42.86	2(6)
11	Chennai Network Infrastructure Limited Regd. Off: Old No.34/1 DL, New No.403L, 7 th Floor, Samson Towers, Pantheon Rd., Egmore, Chennai 600 008 TN. CIN / GLN : U64203TN2009PLC073803	Associate	25.79	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity):

(i) Category-wise Shareholding

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-16				31-Mar-17				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
(a)	Individual / HUF	1,85,99,435	-	1,85,99,435	11.82	1,85,99,435	-	1,85,99,435	11.82	
(b)	Central Govt.									
(c)	State Govt(s)									
(d)	Bodies Corp.	5,09,80,559	-	5,09,80,559	32.41	2,89,80,559	-	2,89,80,559	18.42	(13.99)
(e)	Banks / FI									
(f)	Any Other (Specify)									
	Sub-Total (A)(1)	6,95,79,994	-	6,95,79,994	44.23	4,75,79,994	-	4,75,79,994	30.25	(13.99)
(2)	Foreign									
(a)	NRIs - Individuals									
(b)	Other - Individuals									
(c)	Bodies Corp.									
(d)	Banks / FI									
(e)	Any Other (Specify)									
	Sub-Total (A)(2)									
A	Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	6,95,79,994	-	6,95,79,994	44.23	4,75,79,994	-	4,75,79,994	30.25	(13.99)
B	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	-	164	164	0.00	-	164	164	0.00	-
(b)	Banks / FI	3,88,04,987	500	3,88,05,487	24.67	5,85,27,064	500	5,85,27,564	37.21	12.54
(c)	Central Govt.									
(d)	State Govt(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies	13,07,259	-	13,07,259	0.83	13,07,259	-	13,07,259	0.83	-
(g)	FIs	1,872	6	1,878	0.00	-	6	6	0.00	(0.00)
(h)	Foreign Venture Capital Funds									
(i)	Others (Specify)									
	Sub-Total (B)(1)	4,01,14,118	670	4,01,14,788	25.50	5,98,34,323	670	5,98,34,993	38.04	12.54
(2)	Non-Institutions									
(a)	Bodies Corp.									
	i) Indian	78,27,001	9,289	78,36,290	4.98	82,90,989	9,289	83,00,278	5.28	0.29
	ii) Overseas									
(b)	Individuals									
	i. Individual shareholders holding nominal share capital upto to ₹ 1 lakh	2,70,51,899	2,67,880	2,73,19,779	17.37	2,76,62,597	2,64,690	2,79,27,287	17.75	0.39

DIRECTORS' REPORT

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-16				31-Mar-17				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,14,95,546	20,148	1,15,15,694	7.32	1,27,53,429	20,148	1,27,73,577	8.12	0.80
(c)	Others (Specify)									
	i. Corp.Body OCBs	1,09,083	100	1,09,183	0.07	1,09,083	100	1,09,183	0.07	-
	ii. Other Foreign Bodies	-	100	100	0.00	-	100	100	0.00	-
	iii. NRIs	8,18,192	328	8,18,520	0.52	7,66,414	328	7,66,742	0.49	(0.03)
	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	-
	vi. RFPI-Corporate	-	-	-	0.00	2,194	-	2,194	0.00	0.00
	Sub-Total (B)(2)	4,73,04,154	2,97,845	4,76,01,999	30.26	4,95,87,139	2,94,655	4,98,81,794	31.71	1.45
B	Total Public Shareholding (B) = (B) (1) + (B)(2)	8,74,18,272	2,98,515	8,77,16,787	55.77	10,94,21,462	2,95,325	10,97,16,787	69.75	13.99
	TOTAL (A) + (B)	15,69,98,266	2,98,515	15,72,96,781	100.00	15,70,01,456	2,95,325	15,72,96,781	100.00	-
C	Shares held by Custodians for GDRs & ADRs	NA	NA	NA	NA	NA	NA	NA	NA	NA
	GRAND TOTAL (A) + (B) + (C)	15,69,98,266	2,98,515	15,72,96,781	100.00	15,70,01,456	2,95,325	15,72,96,781	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		01-Apr-16			31-Mar-17			
		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	1,85,99,435	11.82	100.00	1,85,99,435	11.82	100.00	0.00
2	Global Holding Corporation Private Limited	5,09,80,559	32.41	99.06	2,89,80,559	18.42	98.34	(13.99)
	TOTAL	6,95,79,994	44.23	99.31	4,75,79,994	30.25	98.99	(13.99)

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

Sr. No.	Name	Shareholding at the beginning of the year 01-Apr-16		Date	Increase / Decrease in Shareholding	Reason	Cumulative shareholding during / at the end of the year 31-Mar-17	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Manoj Gajanan Tirodkar	1,85,99,435	11.82	N.A.	No Change	N.A.	1,85,99,435	11.82
2	Global Holding Corporation Private Ltd	5,09,80,559	32.41	19-Oct-2016	(2,20,00,000)	Invocation and transfer of pledged shares by its Lender.	2,89,80,559	18.42
		6,95,79,994	44.23				4,75,79,994	30.25

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl. No.	For each of Top 10 shareholders	Shareholding at the beginning of the year 01-Apr-16		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during / at the end of the year 31-Mar-17	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	SYNDICATE BANK	-	0.00%	19-Oct-2016	2,20,00,000	Acquired*	2,20,00,000	13.99%
2	BANK OF INDIA	60,99,512	3.88%				60,99,512	3.88%
3	ANDHRA BANK	47,87,185	3.04%				47,87,185	3.04%
4	PUNJAB NATIONAL BANK	40,45,570	2.57%				40,45,570	2.57%
5	IDBI BANK LIMITED	33,17,412	2.11%				33,17,412	2.11%
6	CANARA BANK-MUMBAI	32,93,975	2.09%				32,93,975	2.09%
7	UNION BANK OF INDIA	27,69,496	1.76%				27,69,496	1.76%
8	DENA BANK	27,41,555	1.74%				27,41,555	1.74%
9	VIJAYA BANK	26,54,910	1.69%	17-Jun-2016	(56,801)	Sold	25,98,109	1.65%
				24-Jun-2016	(40,000)	Sold	25,58,109	1.63%
				01-Jul-2016	(50,000)	Sold	25,08,109	1.59%
				08-Jul-2016	(3,35,053)	Sold	21,73,056	1.38%
				15-Jul-2016	(1,24,942)	Sold	20,48,114	1.30%
				22-Jul-2016	(58,224)	Sold	19,89,890	1.27%
				29-Jul-2016	(40,000)	Sold	19,49,890	1.24%
				05-Aug-2016	(35,741)	Sold	19,14,149	1.22%
				12-Aug-2016	(48,500)	Sold	18,65,649	1.19%
				19-Aug-2016	(10,000)	Sold	18,55,649	1.18%
				26-Aug-2016	(38,779)	Sold	18,16,870	1.16%
				02-Sep-2016	(80,000)	Sold	17,36,870	1.10%
				09-Sep-2016	(1,47,000)	Sold	15,89,870	1.01%
				14-Sep-2016	(39,111)	Sold	15,50,759	0.99%
				23-Sep-2016	(65,000)	Sold	14,85,759	0.94%
				07-Oct-2016	(6,23,616)	Sold	8,62,143	0.55%
				14-Oct-2016	(2,62,143)	Sold	6,00,000	0.38%
				21-Oct-2016	(4,25,000)	Sold	1,75,000	0.11%
10	INDIAN OVERSEAS BANK	24,33,199	1.55%				24,33,199	1.55%
11	UCO BANK	18,54,519	1.18%				18,54,519	1.18%

* As intimated by one of the promoter's of the Company viz. Global Holding Corporation Private Limited, one of its lenders transferred the entire pledged shares to its account and dispute relating thereto is sub-judice.

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 01-Apr-16		Cumulative Shareholding during / at the end of the year 31-Mar-17	
		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	1,85,99,435	11.82%	1,85,99,435	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%
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	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,774.02	2,384.89	NIL	5,158.91
ii) Interest due but not paid	490.05	478.20	NIL	968.25
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	3,264.07	2,863.09	NIL	6,127.16
Change in Indebtedness during the financial year				
Addition	339.26	173.50	NIL	512.76
Reduction	(16.03)	NIL	NIL	(16.03)
Net Change	323.23	173.50	NIL	496.73
Indebtedness at the end of the financial year				
i) Principal Amount	2,793.59	2,369.29	NIL	5,162.88
ii) Interest due but not paid	793.71	667.30	NIL	1,461.01
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	3,587.30	3,036.59	NIL	6,623.89

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 (₹)
		Mr. Manoj G. Tirodkar – CMD	Mr. Sunil S. Valavalkar – WTD	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59,27,200	14,07,423	73,34,623
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the 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 (PF Contribution)	2,64,600	79,413	3,44,013
	Total (A)	61,91,800*	14,86,836	76,78,636
	Ceiling as per the Act	48,00,000**	15,00,000@	63,00,000#

* Out of this amount, an amount of ₹ 2,40,000/- & ₹ 12,02,360/- was paid in respect of previous two financial years viz. FY 2015-16 & FY 2014-15 respectively. Resultantly, he has drawn ₹ 47,49,440/- for the FY 2016-17 and hence the remuneration is within the limit for the respective financial years.

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

@ The Central Government vide its letter dated July 22, 2016 approved the payment of remuneration not exceeding ₹ 15,00,000 per annum for a period of 3 years with effect from December 16, 2014 to December 15, 2017.

B) Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. Vijay M. Vij	Mr. D. S. Gunasingh	Mr. Navin J. Kripalani	Mrs. Siddhi M. Thakur	
1.	Independent Directors					
	– Fee for attending board / committee meetings (₹)	21,25,000	19,00,000	17,50,000	12,50,000	70,25,000
	– Commission	Nil	Nil	Nil	Nil	Nil
	– Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1) (₹)	21,25,000	19,00,000	17,50,000	12,50,000	70,25,000
2.	Other Non-Executive Directors					
		Mr. Dilip Kumar Mandal (upto 27.11.2016)^	Mr. Badri Srinivasa Rao (w.e.f. 28.11.2016)^			
	– Fee for attending board / committee meetings (₹)	1,00,000	1,00,000			2,00,000
	– Commission	Nil	Nil			Nil
	– Others, please specify	Nil	Nil			Nil
	Total (2) (₹)	1,00,000	1,00,000			2,00,000
	Total (B)=(1+2)					72,25,000
	Total Managerial Remuneration *					76,78,636
	Overall Ceiling as per the Act					63,00,000#

^ Sitting fees of Nominee Directors of IDBI Bank was paid directly to the bank they represent.

* In terms of provisions of Section 197(2) of the Companies Act, 2013, sitting fees paid to Non-Executive Directors are not considered in computation.

In the FY under review viz. FY 2016-17 the CMD has drawn remuneration of ₹ 47,49,440/- and the WTD has drawn remuneration of ₹ 14,86,836/- aggregating ₹ 62,36,276/-, which is within the overall ceiling of ₹ 63,00,000/-.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (Amount in ₹)			
		CEO	CFO	Company Secretary	Total
1.	Gross salary	Not Applicable			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,01,34,696	1,04,99,262	2,06,33,958
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		24,000	Nil	24,000
	(c) Profits in lieu of salary under section 17(3) of the 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 (PF Contribution)		2,47,680	2,36,160	4,83,840
	Total		1,04,06,376	1,07,35,422	2,11,41,798

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences under the Companies Act, 2013 during FY 2016-17.

CORPORATE GOVERNANCE REPORT

As the Company is listed at BSE Limited and National Stock Exchange of India Limited, in terms of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the Compliance Report on Corporate Governance (in the prescribed format) is given as under:

1. 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.

2. BOARD OF DIRECTORS:

A. Details of Directors:

NAME OF DIRECTOR	PD/ NPD*	ED/ NED/ ID/NID/ND*	Attendance in Board Meetings		Attend- ance in last AGM	Other Companies as on 31/03/2017			
			Held	Attend- ed		Board Directorship (incl. Chairman- ship)**	Board Chairman- ship**	Committee Membership (incl. Chairman- ship)**	Committee Chairman- ship**
Mr. Manoj G. Tirodkar [DIN: 00298407]	PD	ED/NID	5	5	Present	2	2	1	0
Mr. Vijay M. Vij [DIN: 02245470]	NPD	NED/ID	5	5	Present	2	0	2	0
Mr. D. S. Gunasingh [DIN: 02081210]	NPD	NED/ID	5	5	Present	1	0	1	1
Mr. Navin J. Kripalani [DIN: 05159768]	NPD	NED/ID	5	5	Present	0	0	0	0
Mr. Dilip Kumar Mandal [DIN: 03313130] (up to November 27, 2016)	NPD	NED/NID/ND#	4	1 [§]	Absent	N.A.	N.A.	N.A.	N.A.
Mr. Sunil S. Valavalkar [DIN: 01799698]	NPD	ED/NID	5	5	Present	1	0	0	0
Mrs. Siddhi M. Thakur [DIN: 07142250]	NPD	NED/ID	5	5	Present	0	0	0	0
Mr. Badri Srinivasa Rao [DIN:02556029] (w.e.f. November 28, 2016)	NPD	NED/NID/ND#	1	1	Not Applicable	0	0	0	0

Note: There is no inter-se relationship between our Board members.

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

** In Indian Public Limited Companies.

*** In Audit and Stakeholders Relationship Committee of Indian Public Limited Companies.

IDBI Bank is Monitoring Institution for the Company under CDR mechanism, which nominated Mr. Badri Srinivasa Rao in place of its earlier nominee Mr. Dilip Kumar Mandal w.e.f. November 28, 2016. Further, in terms of the Listing Regulations, Nominee Director(s) is / are treated as Non-Independent.

§ Mr. Dilip Kumar Mandal was granted leave of absence for the Board Meeting(s) not attended by him.

B. Details of Board Meetings held during the year:

Dates of Board Meeting	28-Apr-16	25-Aug-16	13-Sep-16	17-Nov-16	31-Jan-17
Board Strength	7	7	7	7	7
No. of Directors Present	7	6	6	6	7

Note: In terms of the Regulation 25(3) of the Listing Regulations and Schedule IV to the Companies Act, 2013, a meeting of Independent Directors was convened on March 22, 2017 for transacting stipulated business.

3. AUDIT COMMITTEE:

A. Powers of Audit Committee:

The Audit Committee shall have powers, which should include the following:

- (i) To investigate any activity within its terms of reference;
- (ii) To seek information from any employee;
- (iii) To obtain outside legal or other professional advice; and
- (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role / Terms of Reference:

I. The role of the Audit Committee shall include the following:

- (i) 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;
- (ii) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) 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;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- (v) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) 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;
- (vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (viii) approval or any subsequent modification of transactions of the Company with related parties;
- (ix) scrutiny of inter-corporate loans and investments;
- (x) valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) evaluation of internal financial controls and risk management systems;
- (xii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) 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;

- (xiv) discussion with internal auditors of any significant findings and follow up there on;
- (xv) 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;
- (xvi) 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;
- (xvii) 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;
- (xviii) to review the functioning of the whistle blower mechanism;
- (xix) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

II. The Audit Committee shall mandatorily review the following information:

- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (iii) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (iv) internal audit reports relating to internal control weaknesses;
- (v) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- (vi) statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

C. Composition of Audit Committee and Attendance of Members:

Name of Director and position	Meetings/Attendance				
	28-Apr-16	12-Sep-16	16-Nov-16	30-Jan-17	17-Mar-17
Mr. Vijay M. Vij, Chairman	P	P	P	P	P
Mr. D. S. Gunasingh, Member	P	P	P	P	P
Mr. Navin J. Kripalani, Member	P	P	P	P	P

P-Present, A-Absent

4. NOMINATION & REMUNERATION COMMITTEE (NRC):

A. Role / Terms of Reference:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- (iii) Devising a policy on diversity of Board of Directors;

- (iv) 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 of Directors their appointment and removal;
- (v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (vi) Providing of the following information to the shareholders in case of appointment of New Director or re-appointment of a Director:
 - a. Brief resume of the Director;
 - b. Nature of expertise in specific functional areas;
 - c. Disclosure of relationships between directors inter-se;
 - d. Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the Board; and
 - e. Shareholding of Non-Executive Directors.
- (vii) Providing of General shareholder information in the Annual Report;
- (viii) Review of HR Policies / Initiatives & Senior Level Appointments;
- (ix) 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;
- (x) Frame suitable Policies and systems for implementation, take appropriate decisions and monitor implementation of the following Regulations:
 - a. SEBI (Prohibition of Insider Trading) Regulations, 2015; and
 - b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- (xi) Perform such other functions consistent with regulatory requirements.

B. Composition of NRC and Attendance of Members:

Name of Director and Position	Meetings/Attendance			
	28-Apr-16	13-Sep-16	17-Nov-16	30-Jan-17
Mr. Vijay M. Vij, Chairman	P	P	P	P
Mr. D. S. Gunasingh, Member	P	P	P	P
Mr. Navin J. Kripalani, Member	P	P	P	P
Mrs. Siddhi M. Thakur, Member	P	P	P	P

P-Present, A-Absent

C. Performance Evaluation Criteria For Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. Indicative lists of factors that may be evaluated include attendance, participation, proactive & positive approach, maintenance of confidentiality and contribution by a director.

D. 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 www.gtllimited.com, *inter-alia*, provides for the following:

I. Executive Directors:

- (i) Salary and commission not to exceed limits prescribed under the Companies Act, 2013.

- (ii) Remunerate from time to time depending upon the performance of the Company, Individual Directors performance and prevailing Industry norms.
- (iii) No sitting fees.
- (iv) No ESOPs for Promoter Directors.

II. Non-Executive Directors:

- (i) Eligible for commission based on time, efforts and output given by them.
- (ii) Sitting fees and commission not to exceed limits prescribed under the Companies Act, 2013.
- (iii) Eligible for ESOPs (other than Independent and Promoter Directors).

5. Details of remuneration to all the Directors during the year ended March 31, 2017:

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
a) Executive Directors								
i) Mr. Manoj G. Tiroadkar Chairman & Managing Director	59,27,200	2,64,600	—	@	@	NA	61,91,800 ^s	Retirement by Rotation*
ii) Mr. Sunil S. Valavalkar Whole-time Director	14,07,423	79,413	—	@	@	NA	14,86,836	Retirement by Rotation**
b) Non-Executive Directors								
i) Mr. Vijay M. Vij Independent Director	—	—	—	@	—	21,25,000	21,25,000	#
ii) Mr. D. S. Gunasingh Independent Director	—	—	—	@	—	19,00,000	19,00,000	#
iii) Mr. Navin J. Kripalani Independent Director	—	—	—	@	—	17,50,000	17,50,000	#
iv) Mr. Dilip Kumar Mandal (upto November 27, 2016) Nominee Director	—	—	—	@	—	@@ 1,00,000	1,00,000	
v) Mrs. Siddhi M. Thakur Independent Director	—	—	—	@	—	12,50,000	12,50,000	#
vi) Mr. Badri Srinivasa Rao (w.e.f. November 28, 2016) Nominee Director	—	—	—	@	—	@@ 1,00,000	1,00,000	

* 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. 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 and the said approval has been received from Central Government vide its letter bearing reference No. SRN C75006197/4/2016 - CL.VII dated July 22, 2016.

^s Out of this amount, an amount of ₹ 2,40,000/- & ₹ 12,02,360/- was paid in respect of previous two financial years viz. FY 2015-16 & FY 2014-15 respectively.

Mr. Vijay M. Vij, Mr. D. S. Gunasingh and Mr. Navin J. Kripalani were appointed as Independent Directors respectively from September 16, 2014 up to September 15, 2019 and Mrs. Siddhi M. Thakur was appointed as an Independent Director from March 31, 2015 up to March 31, 2018 and they are not liable to retire by rotation.

⊙ 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 is paid directly to the bank they represent.

Notes:

- Mr. D. S. Gunasingh held 100 equity shares in the Company as on March 31, 2017.
- Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Directors.
- Currently the Company does not have any stock option plans / schemes.
- The details of familiarization programmes imparted to independent directors are available on website link of the Company http://www.gtlimited.com/ind/inv_cg.aspx

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

A. Composition of Committee:

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

B. Name of Non-Executive Director heading the Committee: Mr. D.S. Gunasingh.

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

D. Number of shareholders complaints received during 2016-17: 3

E. Number not solved to the satisfaction of shareholders: NIL

F. Number of pending complaints: NIL

7. DETAILS OF GENERAL MEETINGS :

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

	2013-14	2014-15	2015-16
Date	16-Sep-2014	23-Sep-2015	21-Sep-2016
Time	11:00 A.M.	11:00 A.M.	11:00 A.M.
Venue	Vishnudas Bhav Natyagruha, Sector 16-A, Vashi, Navi Mumbai, 400703	Marathi Sahitya, Sanskriti & Kala Mandal, Sahitya Mandir Hall, Near Navi Mumbai Sports Association, Sector 6, Vashi, Navi Mumbai 400703	Vishnudas Bhav Natyagruha, Sector 16-A, Vashi, Navi Mumbai, 400703
Details of Special Resolutions passed	<p>a. Approval to the Board of Directors to borrow a sum not exceeding ₹ 7,000 Cr.</p> <p>b. Authority to issue securities either through Public Issue or through Private Placement</p>	<p>a. Appointment of Mr. Sunil S. Valavalkar as a Whole-time Director of the Company</p> <p>b. Approval for undertaking material related party transactions with GTL Infrastructure Limited.</p> <p>c. Approval for undertaking related material party transactions with Chennai Network Infrastructure Limited.</p>	<p>a. Approval for Selling / disposing of the Company's shareholding in its subsidiary company(ies), whether material or not, held either directly or through the Company's subsidiary(ies) and / or selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the subsidiary company(ies), whether material subsidiary or not.</p>

B. Whether Special Resolutions were put through postal ballot last year, details of voting pattern : No

C. Person who conducted the postal ballot exercise: Not Applicable

D. Whether special resolutions are proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot at the time of ensuing Annual General Meeting.

E. The Procedure for postal ballot:

Shall be conducted as per the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

F. Details of Extra-Ordinary General Meetings held in last three years:

Sr. No.	Date	Time	Venue	Purpose
1.	FY 2014-15 September 25, 2014 (Date of announcement of result of Postal Ballot)	11:00 A.M.	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400001.	<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 Crore.</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 Crore.</p>
2.	FY 2015-16 September 30, 2015 (Date of announcement of result of Postal Ballot)	11:00 A.M.	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400001.	a. 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, disposal of whole or substantially the whole of the undertakings of the Company <i>inter-alia</i> sale of OME business to Essential Energy India Private Limited / any other entity, sale of core / non-core assets etc.
3.	FY 2016-17	NA	NA	NA

8. MEANS OF COMMUNICATION:**a. 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.

b. Publication of Quarterly Results:

The Quarterly Results were published in Newspapers as under:

Newspapers	Dates of publication of results for the Quarter ended			
	31-Mar-16	30-Jun-16	30-Sep-16	31-Dec-16
Free Press Journal	29-Apr-16	14-Sep-16	18-Nov-16	01- Feb-17
Navshakti	29-Apr-16	14- Sep-16	18- Nov-16	01-Feb-17

c. Website where displayed:

<http://www.gtllimited.com>

d. Whether it also displays official news releases:

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

e. 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 analysts.

9. 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.

a. Date, time and venue of the 29th Annual General Meeting:

Thursday, September 21, 2017, 11:00 A.M. at Vishnudas Bhawe Natyagruha, Sector 16-A, Vashi, Navi Mumbai - 400 703, Maharashtra.

b. Financial Year: April 1 - March 31

c. Dividend Payment Date: Not Applicable as the Board has not recommended any dividend for FY 2016-17.

d. Listing on Stock Exchanges: BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). Listing Fees for FY 2017-18 in respect of equity capital paid to both the Stock Exchanges.

e. Stock Exchange Codes (Equity):

Stock Exchange / News Agency	Stock Code	Non-Convertible Debentures (Listing on BSE only) *		
		Series	ISIN	BSE Code
BSE	500160	I	INE043A08017	946494
NSE	GTL	II	INE043A08025	946495
Reuters Code	GTL.BO & GTL.NS	III	INE043A08033	946496
Bloomberg ticker	GTS:IN	IV	INE043A08041	946521
Equity ISIN	INE043A01012	V	INE043A08058	946522
		VI	INE043A08066	946523
Debenture Trustees: IDBI Trusteeship Services Ltd. Asian Building, Gr. Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001. Tel.: 022-4080 7000; Fax: 022-6631 1776; Email: itsl@idbitrustee.com / response@idbitrustee.com				

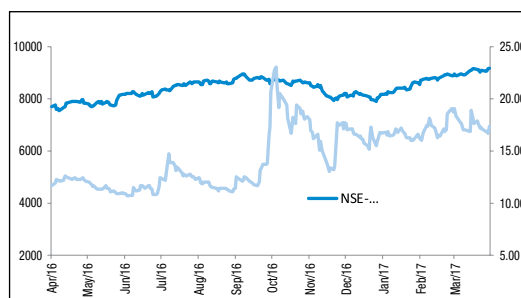
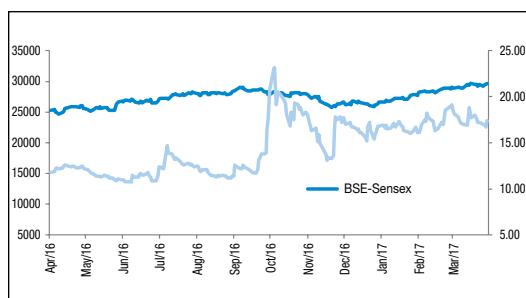
* Currently NCDs are suspended for trading as the formalities for listing of restructured NCDs are pending due to non completion of documentation and resultantly, no listing fees are demanded / paid for FY 2017-18.

f. 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-2016	12.53	11.74	6,95,114	12.60	11.70	11,27,169
May-2016	12.11	10.90	5,24,193	12.05	10.95	10,50,474
Jun-2016	12.41	10.73	14,27,619	12.40	10.70	25,40,467
Jul-2016	14.73	12.22	21,05,386	14.70	12.15	57,84,650
Aug-2016	12.44	11.17	5,85,596	12.45	11.10	18,02,990
Sep-2016	20.77	11.66	77,34,497	20.70	11.65	2,13,54,247
Oct-2016	23.15	16.75	1,04,88,356	23.05	16.70	2,85,07,686
Nov-2016	18.00	13.05	32,10,217	18.00	13.00	85,47,074
Dec-2016	17.70	15.15	27,50,407	17.60	15.15	58,07,171
Jan-2017	17.25	15.95	13,78,748	17.20	16.00	36,76,570
Feb-2017	18.95	16.10	25,31,011	19.05	16.05	71,03,600
Mar-2017	19.10	16.65	23,39,603	19.10	16.70	82,58,826

g. GTL's share performance in comparison to broad-based indices (BSE: Sensex and NSE: Nifty):



h. Registrar and Share Transfer Agent:

In terms of Securities and Exchange Board of India (SEBI) Circular bearing Ref: D&CC/FITTC/CIR-15/2002 dated December 27, 2002, the Company is carrying out share registry work, in terms of both physical and electronic, in-house, from its Investor Service Centre (ISC) located at its Registered Office. 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). SEBI has granted 'Permanent Registration' as Share Transfer Agent under Category II to the Company on August 2, 2013.

i. 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 Stakeholders 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 Regulation 40(9) of the Listing Regulations and files a copy of the compliance certificate with the Stock Exchanges where the shares of the Company are listed.

A total number of 850 equity shares (in physical form) were transferred during the year under review (Previous year 614).

j. Distribution of shareholding as on March 31, 2017:

A. Distribution of shares according to size of holding:

No. of Shares	No. of Shareholders	% of Shareholders	Share amount (₹)	% to Total
Upto 500	67,538	84.70%	8,68,05,020	5.52%
501 - 1000	5,920	7.42%	4,84,83,190	3.08%
1001 - 2000	3,104	3.89%	4,79,38,590	3.05%
2001 - 3000	1,074	1.35%	2,76,94,360	1.76%
3001 - 4000	496	0.62%	1,79,52,520	1.14%
4001 - 5000	437	0.55%	2,08,45,780	1.33%
5001 - 10000	639	0.80%	4,72,97,360	3.01%
10001 & Above	526	0.66%	1,27,59,50,990	81.12%
TOTAL	79,734	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	4,75,79,994	30.25%
Bodies Corporate (Domestic) / Trusts / Clearing Members	83,00,778	5.28%
Banks	5,85,27,564	37.21%
Mutual Funds	164	0.00%
Financial Institutions	13,07,259	0.83%
Foreign Institutional Investors	6	0.00%
Non-Resident Individuals/Foreign Corporate Bodies/Overseas Corporate Bodies/Foreign National/RFPI - Corporate	8,80,152	0.56%
Resident Individuals	4,07,00,864	25.88%
TOTAL	15,72,96,781	100.00%

C. Top 10 Shareholders:

Name(s) of Shareholders	Category	No. of Shares	%
Global Holding Corporation Private Limited (Promoter)	Domestic Company	2,89,80,559	18.42%
Manoj Gajanan Tirodkar (Promoter)	Director	1,85,99,435	11.82%
Syndicate Bank	Bank	2,20,00,000	13.99%
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%

k. 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, 2017 (99.81% as on March 31, 2016).

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.

l. 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.

m. Plant Locations:

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

n. Address for correspondence:

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

Tel.: +91 22 2761 2929 Extn. Nos.: 2232 -2234 FAX: +91 2768 9990 / 22 2768 0171

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

10. OTHER DISCLOSURES :

- a. Disclosures 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.

- b. 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.

- c. Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:

The Company has formulated the Whistle Blower Policy providing vigil mechanism for receiving and redressing directors / permanent employees' complaints and that no personnel of the Company were denied access to the Audit Committee. The said Policy has been placed on the Company's website www.gtllimited.com.

- d. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations for the financial year 2016-17 and the Company has obtained a certificate from Joint Auditors Certifying its compliance with the same. This certificate is annexed to the Directors' Report for the FY 2016-17.

Pursuant to the provisions of Regulation 34(3) of the Listing Regulations read with Part B of Schedule II to the Listing Regulations, the Chairman & Managing Director (CEO) and the Chief Financial Officer (CFO) have issued a certificate to the Board, for the year ended March 31, 2017.

- e. Web link where policies for (i) determining 'material' subsidiaries and (ii) dealing with related party transactions are disclosed:

The required information can be accessed from the Company's website link: http://www.gtllimited.com/ind/inv_cg.aspx

- f. Disclosure of commodity price risk or foreign exchange risk and commodity hedging activities:

Please refer to Management Discussion and Analysis Report for the same.

11. Non compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof:

The Company has complied with requirement of sub-paras (2) to (10) above.

12. DISCRETIONARY REQUIREMENTS:

As required under Regulation 27(1) read with Part E of Schedule II and Part C (12) of Schedule V to the Listing Regulations, we furnish hereunder the extent to which the Company has adopted discretionary requirements:

A. The Board:

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

B. Shareholders Rights:

Financial Results for the half year / quarter ended September 30, 2016 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.

C. Modified opinion(s) in Audit Report:

For FY 2016-17, the Joint Auditors of the Company have not given any modified opinions in the Company's financial statements.

D. Separate posts 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.

E. Reporting of Internal Auditor:

The Acting Chief Internal Auditor of the Company reports to the Audit Committee.

13. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

14. LEGAL PROCEEDINGS:

As on March 31, 2017, there were 33 cases against the Company, pending in various Courts and other Dispute Redressal Forums.

In 8 out of 33 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 8 cases.

Out of the balance 25 cases, 13 cases are from its earlier power business, 7 cases are from telecom related businesses and 1 case is in respect of non-allotment / non-refund of money in its IPO, 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. In one of the cases, a lender of one of the associates has filed winding-up petition against the Company, that is yet to be admitted by the Hon'ble Bombay High Court, for not honoring 'Put option' given by the Company for securing the liability of one of its associates, prior to the Company's admission to CDR mechanism, which is not approved by the CDR lenders. In another case, a bank has filed commercial suit against the Company in the Hon'ble Bombay High Court in respect of the Company's comfort letter issued in favour of one of its Wholly Owned Subsidiaries (WOS) towards WOS's credit facilities. The contingent liability of these 23 cases is ₹ 377,17,54,313/-.

In another case, the NCD holder has filed winding-up petition against the Company before Hon'ble Bombay High Court, in view of the pending restructuring of NCD's due to inter-creditor issues, where in the claim amount is ₹ 1858,45,51,530/- of which the contingent liability is ₹ 98,08,02,031/-.

In the balance one case, the Department of Telecom (DoT) has raised a frivolous demand of ₹ 1506,04,11,388/- based on Adjusted Gross Revenue for ISP license fee pertaining to the business carried out by the Company well before the year 2009 and the relevant ISP license was surrendered to DoT in 2009 for which DoT had issued a no-dues certificate in November 2010. The Company is contesting this demand in an appropriate forum.

15. 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. Sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were applicable with effect from September 7, 2016, also contain similar provisions for transfer of such amount to the IEPF.

The Company has issued reminders to all such shareholders in respect of the Unclaimed / Unpaid Dividend for the FY 2009-10 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) is / 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 2009-10	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 21, 2016 (date of last AGM) on the website of the Company and also on the website of the Ministry of Corporate Affairs.

16. EQUITY SHARES IN THE SUSPENSE ACCOUNT:

In accordance with the requirements of Regulations 34(3) read with part F of Schedule V of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account "GTL Limited – Unclaimed Shares Demat":

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, 2016	920	101,821
(ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	-	-
(iv)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on March 31, 2017	920	101,821

The voting rights on the shares outstanding in the suspense account as on March 31, 2017 shall remain frozen till the rightful owner of such shares claims the shares.

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR

Pursuant to the provisions of Regulation 34(3) read with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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, 2017.

Date: August 8, 2017
Place: Mumbai

Manoj G. Tirodkar
Chairman & Managing Director

INFORMATION ON DIRECTOR(S) RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Mr. Sunil S. Valavalkar, 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.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To

**The Members of
GTL LIMITED**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of GTL LIMITED ("the Company"), which comprise the Balance sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements"), in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at Nepal.

Management's Responsibility for the Standalone Ind AS 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 Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS 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 of the Standalone Ind AS Financial Statements 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 Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 including Ind AS, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.;

Emphasis of Matters

We draw your attention to the:

- i. Note No. 48 which inter-alia describes/states that the Company has incurred cash losses, its Net worth has been fully eroded and the Company's current liabilities have exceeded its current assets as at 31st March, 2017.

Moreover as stated in Note No.24.4, 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 and as stated in Note No.40.C.2, the winding up proceedings initiated against the Company by the Optionally Convertible Loan (OCL) holders of an associate wherein the Company had given the put option, still prevails.

The above conditions indicate the existence of the 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 going concern basis for the reasons stated in the said note.

- ii. Note No.6.3 which inter-alia states that the book value of Company's long term investment in its associate Chennai Network Infrastructure Limited is lower than the carrying value of the said investment. No impairment provision is considered necessary by the management in respect of the said investment for the reasons stated in the said note. The Company has made impairment provision of Rs. 107.48 Crores in respect of its investment in another associate GTL Infrastructure Limited and which in the opinion of the management is adequate.

Our opinion is not modified in respect of these matters

Other Matters

- a) As at 31st March, 2017, in respect of the outstanding Term Loan and Cash Credit balances aggregating Rs. 174.82 Crores and interest accrued and provided thereon of Rs. 53.15 Crores due to Catholic Syrian Bank, SIDBI and Standard Chartered Bank, the Balance Confirmations have not been received. The Balance Confirmation in respect of current account balance with Punjab National Bank of Rs.0.70 Crores has not been received. Further in case of current account balance with Standard Chartered Bank of Rs. 4.73 Crores the balance is subject to reconciliation.
- b) We did not audit the financial statements/information of Nepal branch included in the Standalone Ind AS Financial Statements of the Company whose financial statements / financial information reflect total assets of Rs.2.60 crores as at 31st March, 2017 and total revenues of Rs. Nil for the year ended on that date. The financial statements/information of this branch have been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The reports on the accounts of the branch office of the Company audited under section 143(8) of the Act, by branch auditor has been sent to us and has been properly dealt with by us in preparing this report.
- (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the IND AS specified under Section 133 of the Act.
- (f) In our opinion, the going concern matter and outcome of winding up petition filed against the Company by the Holders of Non Convertible Debentures issued by the Company and the winding up proceedings initiated against the Company by the Optionally Convertible Loan (OCL) holders of an associate wherein the Company had given the put option as described in sub-paragraph (i) under Emphasis of matters paragraph above, may have an adverse effect on the functioning of the Company.
- (g) On the basis of management representation and on the basis of the 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 the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (i) 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 read with Notification No G.S.R 307(E) dated 30.03.2017, 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 Standalone Ind AS Financial Statements – Refer Note No. 40.C.1 and 40.C.2 to the Standalone Ind AS Financial Statements.
- ii. The Company 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 Company. Unpaid dividend of Rs.0.19 Crores pertaining to the years 2000-01, 2001-02 and 2003-04 to 2008-09 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.

- iv. The Company has provided the requisite disclosures in the Standalone Ind AS Financial Statements as regards to its holdings and dealings in Specified Bank Notes as defined in the Notification S.O 3407(E) dated November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016 and based on audit procedure performed and the representation provided by the Management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management (refer to Note No 13.1 of Standalone Ind AS Financial Statements).

2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016"), issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the CARO 2016, to the extent applicable.

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

M. V. Bhawe
Partner
Membership No. 038812

Place: Mumbai
Date: 27th April, 2017

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

S. S. Yeolekar
Partner
Membership No. 036398

ANNEXURE "A"

TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS OF GTL LIMITED

(Referred to in paragraph 1 (h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of GTL Limited on the Standalone Ind AS Financial Statements for the year ended 31st March, 2017)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GTL Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial

controls over financial reporting were operating effectively as of 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

M. V. Bhawe
Partner
Membership No. 038812

Place: Mumbai
Date: 27th April, 2017

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

S. S. Yeolekar
Partner
Membership No. 036398

ANNEXURE - B**TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS OF GTL LIMITED**

(Referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of GTL Limited on the Standalone Ind AS Financial Statements for the year ended 31st March, 2017)

- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

As explained to us, the Company has a phased program of physical verification of the property, plant and equipment, 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 property, plant and equipment. No material discrepancies were noticed on such physical verification.

According to the information and explanations given to us and based on the records produced, the title deeds of the immovable properties held by the Company are in the name of the Company. The title deeds of the immovable properties held by the Company are verified from the photo copies of such title deeds as the originals thereof have been deposited with the lenders for securing the borrowings of the Company and confirmation for the same has been obtained from IDBI Trusteeship Services Limited.

- (ii) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. 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 and the same have been properly dealt with.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly clause (iii) of Paragraph 3 of the CARO 2016 is not applicable to the Company.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of investments made, and guarantees provided. According to the information and explanations given to us, the Company has neither provided any security nor given any loans.

- (v) According to the information and explanations given to us, the Company has not accepted any deposits from public within the provisions of section 73 to 76 of the Act and the rules framed thereunder. Therefore, the provisions of clause (v) of Paragraph 3 of the CARO 2016 are not applicable to the Company.

- (vi) According to the information and explanations given to us, the Central Government has not prescribed the cost records to be maintained under sub-Section (1) of Section 148 of the Act in respect of business activities carried on by the Company. Therefore the provisions of clause (vi) of the paragraph 3 of the CARO 2016 are not applicable to the Company.

- (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, 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, Value Added Tax, Duty of Customs, Duty of Excise and Cess were outstanding, as at 31st March 2017 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, Service Tax, Duty of customs and Duty of excise which have not been deposited on account of any dispute.

Name of the Statute	Nature of Dues	Amount (Rupees 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	54.96	1992-1993, 1995-1996, 2005-2006, 2006-2007, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2013-2014 & 2014-15.	1 st Appellate Authority
		6.12	1995-1996, 1996-1997, 2002-2003, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010 & 2010-2011.	2 nd Appellate Authority
Central Excise, Custom & Service Tax Act	Service Tax Dues	17.35	2010-11, 2011-12, 2012-13, 2013-14, 2014-15.	1 st Appellate Authority

Out of the above disputed sales tax / value added tax dues, an amount of Rs. 2.91 Crores has been paid by the Company under protest.

institutions and banks. The lender wise details of the amount of default and the period of default are as under.

(viii) (A) On the basis of, our examination of the records of the Company, the terms of Corporate Debt Restructuring scheme as applicable and according to the information and explanations given to us, the Company has defaulted in repayment of borrowings to financial

(a) **Nature of Dues : Term Loan**

(Grouped and disclosed under the heading "Secured: Payable to CDR lenders" of note no. 24 "Other Financial Liabilities" to the Standalone Ind AS Financial Statements)

(₹ In Crores)

Sr. No.	Name of the Lender	Amount of Default	Period of Default			
			Less than 365 days	More than 365 days but less than 730 days	More than 730 days but less than 1065 days	More than 1065 days but less than 1460 days
1	Andhra Bank	116.51	42.62	42.62	31.27	-
2	Bank of Baroda	41.20	15.00	15.00	11.20	-
3	Bank of India.	146.06	53.11	53.11	39.84	-
4	Canara Bank.	80.61	29.31	29.32	21.98	-
5	Catholic Syrian Bank	18.90	7.20	7.20	4.50	-
6	Dena Bank	66.26	24.40	24.41	17.45	-
7	IDBI Bank	40.13	29.53	10.60	-	-
8	Indian Bank	40.12	14.59	14.59	10.94	-
9	Indian Overseas Bank	59.57	21.66	21.66	16.25	-
10	Punjab National Bank	87.28	36.01	36.01	15.26	-
11	State Bank Of Hyderabad	9.25	3.61	3.61	2.03	-
12	Standard Chartered Bank	9.39	2.89	2.89	2.17	1.44
13	Small Industrial Development Bank Of India	40.39	14.69	14.69	11.01	-
14	UCO Bank	45.40	16.51	16.51	12.38	-
15	Union Bank Of India.	62.31	24.66	24.65	13.00	-
16	United Bank Of India	28.38	10.32	10.32	7.74	-
17	Vijaya Bank	65.03	23.64	23.63	17.76	-

(b) **Nature of Dues : Funded Interest Term Loan**

(Grouped and disclosed under the heading “Secured: Payable to CDR lenders” of note no. 24 “Other Financial Liabilities” to the Standalone Ind AS Financial Statements)

(₹ In Crores)

Sr. No.	Name of the Lender	Amount of Default	Period of Default			
			Less than 365 days	More than 365 days but less than 730 days	More than 730 days but less than 1065 days	More than 1065 days but less than 1460 days
1	Andhra Bank	39.39	14.77	12.31	12.31	-
2	Bank of Baroda	11.55	4.38	3.84	3.33	-
3	Bank of India.	42.13	15.79	13.17	13.17	-
4	Canara Bank.	26.81	10.05	8.38	8.38	-
5	Catholic Syrian Bank	6.40	2.61	2.17	1.62	-
6	Dena Bank	21.81	8.17	7.59	6.05	-
7	IDBI Bank	20.81	9.23	7.69	3.89	-
8	Indian Bank	10.88	4.08	3.40	3.40	-
9	Indian Overseas Bank	17.66	6.62	5.52	5.52	-
10	Punjab National Bank	31.80	13.02	10.88	7.90	-
11	State Bank Of Hyderabad	2.68	1.09	0.91	0.68	-
12	Standard Chartered Bank	2.57	0.77	0.64	0.64	0.52
13	Small Industrial Development Bank Of India	10.22	3.83	3.19	3.20	-
14	UCO Bank	11.88	4.45	3.72	3.71	-
15	Union Bank Of India.	16.13	7.22	6.02	2.89	-
16	United Bank Of India	9.94	3.73	3.11	3.10	-
17	Vijaya Bank	21.31	7.99	6.67	6.65	-

(c) **Nature of Dues: Liability for Bank Guarantee Invocation**

(Grouped and disclosed under the heading “Secured: Payable to CDR lenders” of note no. 24 “Other Financial Liabilities” to the Standalone Ind AS Financial Statements)

(₹ In Crores)

Sr. No.	Name of the Lender	Amount of Default	Period of Default
1	Andhra Bank	7.27	More than 730 days but less than 1065 days
2	Dena Bank	17.59	More than 730 days but less than 1065 days
3	IDBI Bank	2.65	More than 730 days but less than 1065 days
4	Punjab National Bank	58.04	More than 730 days but less than 1065 days
5	UCO Bank	6.60	More than 730 days but less than 1065 days
6	Union Bank Of India.	20.12	More than 730 days but less than 1065 days

(d) **Nature of Dues: External Commercial Borrowings**

(Disclosed under the heading “Unsecured: Payable to External Commercial Borrowings(ECB) Lenders” of Note No. 24 “Other Financial Liabilities” to the Standalone Ind AS Financial Statements)

(₹ In Crores)

Sr. No.	Name of the Lender	Amount of Default	Period of Default
1	Bank Muscat	32.37	More than 1825 days but less than 2190 days
2	Amilife Insurance PCC Ltd	64.75	More than 1825 days but less than 2190 days
3	Bank of Baroda-London	205.05	More than 1825 days but less than 2190 days
4	Bank of India-London	83.40	More than 1825 days but less than 2190 days
5	Pegasus CP one Ltd	97.13	More than 1825 days but less than 2190 days
6	Indian Bank-Colombo	32.38	More than 1825 days but less than 2190 days
7	Indian Bank-Singapore	32.38	More than 1825 days but less than 2190 days
8	Indian Overseas Bank-HongKong	64.75	More than 1825 days but less than 2190 days
9	Punjab National Bank-London	43.17	More than 1825 days but less than 2190 days
10	Syndicate Bank-London	64.75	More than 1825 days but less than 2190 days

(B) **Nature of Dues: Non Convertible Debentures**

As regards dues of Rs.1649.16 crores disclosed under “Payable to holder of Rated Redeemable Unsecured Rupee Non Convertible Debentures” in Note No. 24 “Other Financial Liabilities”, we invite attention to Note No 24.4 to the Standalone Ind AS Financial Statements which states that

“The holder of Rated Redeemable Unsecured Rupee Non –Convertible Debentures had given their consent to be part of the Corporate Debt Restructuring Scheme. Accordingly, the Company and the holder of Rated Redeemable Unsecured Rupee Non –Convertible Debentures entered into amendment to the original sanction letter to restructure NCD debt.

While the Company was in the process of obtaining consent of the CDR lenders on bilateral restructuring document, the Company received a notice from the NCD holder exercising its rights for acceleration of the entire outstanding amount and filed winding up petition against the Company before Hon’ble High Court of Bombay. 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 holder, which is beyond the control of the management and thus not in the nature of default.

Further NCD holder along with other lenders have agreed in-principle for the One Time Settlement (OTS) proposal made by the Company.”

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 to the Holder of Non Convertible debentures issued by the Company.

(ix) According to the information and explanations given to us and on the basis of examination of records, the Company has neither obtained new term loans nor raised any money by way of initial public offer or further public offer of shares and/or debt instruments during the year. Therefore, the provisions of clause (ix) of Paragraph 3 of the CARO 2016 are not applicable to the Company.

(x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS Financial Statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- (xi) According to the information and explanations given to us and based on our examination of records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause (xii) of Paragraph 3 of the CARO 2016 are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of records of the Company, the transactions entered with related parties are in compliance with provisions of section 177 and 188 of the Act, where applicable and the details of such transactions are disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly the provisions of clause (xiv) of Paragraph 3 of the CARO 2016 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us and based on our examination of records of the Company, the Company during the year has not entered into any non cash transactions with directors or persons connected with the directors and accordingly the provisions of clause (xv) of Paragraph 3 of the CARO 2016 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

M. V. Bhawe
Partner
Membership No. 038812

Place: Mumbai
Date: 27th April, 2017

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

S. S. Yeolekar
Partner
Membership No. 036398

Balance Sheet as at March 31, 2017

(₹ in Crores)				
Particulars	Notes	As at 31 March 2017	As at 31 March 2016 Restated*	As at 1 April 2015
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	3	94.93	139.58	235.80
Capital work-in-progress	3	NIL	0.23	0.59
Investment properties	4	3.17	3.23	3.28
Intangible assets	5	0.75	0.80	1.07
Financial assets				
Investments	6	2,123.19	2,230.67	3,371.94
Loans	7	7.41	7.41	7.66
Other	8	535.67	553.83	1,094.29
Deferred tax assets (net)		NIL	NIL	NIL
Other non-current assets	9	0.07	0.07	0.08
		<u>2,765.19</u>	<u>2,935.82</u>	<u>4,714.71</u>
CURRENT ASSETS				
Inventories	10	5.94	NIL	5.63
Financial assets				
Investments	11	NIL	NIL	21.61
Trade receivables	12	125.24	138.48	224.29
Cash and cash equivalents	13	95.17	66.81	54.07
Bank balance other than included in Cash and cash equivalents above	14	6.12	12.75	19.27
Loans	15	14.17	10.86	0.25
Other	16	273.63	255.19	335.94
Assets held for Sale and Discontinued Operations	17	NIL	43.83	43.83
Current Tax Assets (Net)	18	26.28	14.18	8.28
Other current assets	19	32.81	49.92	31.34
		<u>579.36</u>	<u>592.02</u>	<u>744.51</u>
Total Assets		<u>3,344.55</u>	<u>3,527.84</u>	<u>5,459.22</u>
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	20	157.30	157.30	157.30
Other Equity		(3,842.11)	(3,211.81)	(798.31)
Total Equity		<u>(3,684.81)</u>	<u>(3,054.51)</u>	<u>(641.01)</u>
NON-CURRENT LIABILITIES:				
Financial liabilities				
Borrowings	21	127.08	114.39	102.93
Provisions	22	0.97	1.12	1.32
		<u>128.05</u>	<u>115.51</u>	<u>104.25</u>
CURRENT LIABILITIES:				
Financial liabilities				
Trade payables	23	143.29	124.41	103.32
Other financial liabilities	24	6,719.02	6,295.08	5,843.66
Other current liabilities	25	38.94	47.31	48.38
Provisions	26	0.06	0.04	0.62
		<u>6,901.31</u>	<u>6,466.84</u>	<u>5,995.98</u>
Total liabilities		<u>7,029.36</u>	<u>6,582.35</u>	<u>6,100.23</u>
Total equity and liabilities		<u>3,344.55</u>	<u>3,527.84</u>	<u>5,459.22</u>

The accompanying notes form an integral part of the standalone financial Statement

* The amounts for the Financial year 2015-16 which do not correspond to those reported in 2016 financial statements are on account of adjustments required by transition to Ind AS. For details of the same, refer to Note 46.

As per our report of even date

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

M.V. Bhawe
Partner
M.No. 38812
Mumbai, April 27, 2017

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

S.S. Yeolekar
Partner
M.No. 36398

For and on behalf of the Board

Manoj G. Tirodkar
Chairman and Managing Director

Sunil S. Valavalkar
Whole Time Director

Milind Bapat
Chief Financial Officer

Vijay Vij
Director

Vidyadhar Apte
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2017

₹ Crores (unless otherwise stated)			
Particulars	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016 Restated*
Continuing operations			
Revenue from operations	27	1,221.11	1,240.36
Other income	28	33.51	40.14
Total Income		1,254.62	1,280.50
EXPENSES			
Cost of Purchases/ Services rendered	29	897.99	950.30
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(5.94)	3.30
Employee benefits expenses	31	139.79	133.05
Finance costs	32	547.12	559.80
Depreciation and amortisation expenses	33	47.42	98.48
Other expenses	34	263.43	184.87
Total Expenses		1,889.81	1,929.80
Loss before exceptional items and tax from continuing operations		(635.19)	(649.30)
Exceptional items	35	NIL	(1,724.41)
Loss before tax from continuing operations		(635.19)	(2,373.71)
Tax expenses			
Current tax		NIL	NIL
Adjustment of tax relating to earlier periods		5.33	NIL
Loss For The Year From Continuing Operations		(629.86)	(2,373.71)
Discontinued operations:	36		
Loss before tax for the year from discontinued operations		NIL	(39.74)
Tax expenses of discontinued operations		NIL	NIL
Loss for the year from discontinued operations		NIL	(39.74)
Loss for the year		(629.86)	(2,413.45)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(0.44)	(0.05)
(ii) Income tax relating to items that will not be reclassified to profit or loss		NIL	NIL
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(0.44)	(0.05)
B (i) Items that will be reclassified to profit or loss		NIL	NIL
(ii) Income tax relating to items that will be reclassified to profit or loss		NIL	NIL
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		NIL	NIL
Other comprehensive income for the year, net of tax		(0.44)	(0.05)
Total Comprehensive Income for the period, net of tax		(630.30)	(2,413.50)
Earnings per share (in ₹)	37		
Continuing operations			
Basic		(40.04)	(150.91)
Diluted		(40.04)	(150.91)
Discontinued operations			
Basic		NIL	(2.53)
Diluted		NIL	(2.53)
Continuing and discontinued operations			
Basic		(40.04)	(153.44)
Diluted		(40.04)	(153.44)

The accompanying notes form an integral part of the standalone financial Statement

* The amounts for the Financial year 2015-16 which do not correspond to those reported in 2016 financial statements are on account of adjustments required by transition to Ind AS. For details of the same, refer to Note 46.

As per our report of even date

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

M.V. Bhawe
Partner
M.No. 38812
Mumbai, April 27,2017

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

S.S.Yeolekar
Partner
M.No. 36398

For and on behalf of the Board

Manoj G. Tirodkar
Chairman and Managing Director

Sunil S. Valavalkar
Whole Time Director

Milind Bapat
Chief Financial Officer

Vijay Vij
Director

Vidyadhar Apte
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2017

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid (Refer Note 20.3)	No of shares	₹ Crores
At 1 April 2015	157,296,781	157.30
At 31 March 2016	157,296,781	157.30
At 31 March 2017	157,296,781	157.30

b. Other Equity:

Particulars	Equity component of compound financial instrument	Reserves & Surplus					Items of OCI FVTOCI reserve	Total	
		Capital Reserve (Refer Note 50)	Capital Redemption Reserve	Securities premium account	Debt Redemption Reserve*	General reserve			Balance in Statement of Profit and Loss
As at 31st March 2016	570.92	-	8.63	448.18	191.16	510.76	NIL	(3,211.81)	
Net loss for the period	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(629.86)	
Other comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(0.44)	
Total comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(630.30)	
Transfer from debt redemption reserve / general reserve	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
As at 31 March 2017	570.92	-	8.63	448.18	191.16	510.76	NIL	(3,842.11)	
For the year ended 31 March 2016									
As at 1st April 2015	570.92	-	8.63	448.18	191.16	510.76	NIL	(798.31)	
Net loss for the period	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(2,413.45)	
Other comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(0.05)	
Total comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(2,413.50)	
Transfer from debt redemption reserve / general reserve	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
As at 31 March 2016	570.92	-	8.63	448.18	191.16	510.76	NIL	(3,211.81)	

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

As per our report of even date
For M/s. Godbole Bhawe and Co.

Chartered Accountants
FRN No.114445W

For M/s. Yeolekar and Associates
Chartered Accountants
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S.S.Yeolekar
Partner
M.No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Cash Flow Statement for the year ended March 31, 2017

₹ Crores

Particulars	31 March 2017	31 March 2016 (Refer note ii)
Operating activities		
Profit/(loss) before tax from continuing operations	(635.63)	(2,373.76)
Profit/(loss) before tax from discontinued operations	NIL	(39.74)
Profit before tax	(635.63)	(2,413.50)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment (Continuing operation)	47.42	98.48
Depreciation and impairment of property, plant and equipment (Discontinuing operation)	NIL	0.02
Gain on disposal of property, plant and equipment	(0.35)	(0.23)
Finance income (including fair value change in financial instruments)	(9.09)	(5.48)
Finance costs (including fair value change in financial instruments)	547.12	533.69
Profit on sale of current investments	NIL	(2.19)
Unrealised Exchange (Gain)/Loss	(19.12)	3.04
Allowance for credit losses - Trade Receivables (Continuing operation)	36.67	79.72
Allowance for credit losses - Trade Receivables (Discontinuing operation)	NIL	10.00
Allowance for credit losses- Other Receivables	68.03	45.76
Provision for impairment of investment	107.48	NIL
Liabilities / provisions no longer required written back	(1.04)	(2.20)
Exceptional Items :		
Provision for Doubtful Receivables - Others (Net)	NIL	555.91
Provision for diminution in investments	NIL	1,168.50
Working capital adjustments:		
Increase /(decrease) in provision for gratuity & Compensated absences	(0.13)	(0.78)
(Increase)/decrease in trade receivables	(23.85)	(1.78)
(Increase)/decrease in inventories	(5.94)	5.63
(Increase)/decrease in other current and non current assets	(27.93)	11.53
(Increase)/decrease in long term and short term loans and advances	17.10	(1.72)
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	6.56	29.89
	107.30	114.29
Income tax paid (including TDS) (net)	(6.77)	(5.90)
Net cash flows from operating activities	100.53	108.39

₹ Crores

Particulars	31 March 2017	31 March 2016 (Refer note ii)
Investing activities		
Proceeds from sale of property, plant and equipment	0.38	0.43
Purchase of property, plant and equipment (including CWIP)	(2.51)	(1.61)
Proceeds from sale of Investments in Mutual Fund	NIL	162.80
Purchase of Investments - Mutual Fund	NIL	(139.00)
Interest received (finance income)	9.24	1.70
Net cash flows from / (used in) investing activities	7.11	24.32
Financing activities		
Interest paid	(2.02)	(5.68)
Proceeds from long term borrowings	NIL	21.50
Repayment of long term borrowings	(16.04)	(7.48)
Liability portion of guarantee obligation	(67.85)	(134.83)
Fixed deposits with banks held as margin money	6.63	6.52
Net cash flows from / (used in) financing activities	(79.28)	(119.97)
Net increase / (decrease) in cash and cash equivalents	28.36	12.74
Cash and cash equivalents at the beginning of the year	66.81	54.07
Cash and cash equivalents at the end of the year	95.17	66.81

- (i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS - 7 'Statement of Cash Flow.
- (ii) The amounts for the Financial year 2015-16 which do not correspond to those reported in 2016 financial statements are on account of adjustments required by transition to Ind AS. For details of the same, refer to Note 46.
- (iii) Figures in brackets indicate outflows.
- (iv) Previous year's figures have been regrouped/rearranged/recast wherever necessary to make them comparable with those of current year.

As per our report of even date

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

M.V. Bhawe
Partner
M.No. 38812
Mumbai, April 27,2017

For M/s. **Yeolekar and Associates**
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Chief Financial Officer

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Director

Vidyadhar Apte
Company Secretary

1. CORPORATE INFORMATION

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The registered office of the Company is located at GTL Limited, Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai.

The Company engaged in providing network services to telecom operators, OEM's and tower companies.

The financial statements were authorised for issue in accordance with a resolution passed in the meeting of the Board of directors held on April 27, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Financial Statements:

The Financial Statements have been prepared on a going concern basis under on accrual basis, in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Company's first Ind AS compliant financial statements are for the year ended March 31, 2017 with restated comparative figures for the year ended March 31, 2016 and as on April 1, 2015 in compliance with Ind AS.. The date of transition is April 1, 2015. Refer note 46 for detailed information on first time adoption of Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 38 on critical accounting estimates, assumptions and judgements).

The financial statements are presented in ₹ and all values are rounded to the nearest crores (₹ 10,000,000), except when otherwise indicated.

2. Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA)."

An asset is classified as current when it satisfies any of the following criteria:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has considered a period of twelve months for classifying its assets and liabilities as current and non-current.

3. Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted / Published NAV (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (note 38)
- Quantitative disclosures of fair value measurement hierarchy (note 43)
- Investment in unquoted equity shares (note 6)
- Investment properties (note 4)
- Financial instruments (including those carried at amortised cost) (note 42)

4. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the proceeds are being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific revenue recognition policies are as under:

- Revenue from Turnkey Contracts, which are either Fixed Price or Cost Plus contracts, is recognized based on work completion of activity or achievement of milestone.
- Revenue from sale of products is recognized upon passing of the title of goods and/or on transfer of significant risk and rewards of ownership thereto.
- Revenue from Services is recognized on performance of Service as per the contractual terms.
- Dividend income is recognized when the right to receive dividend is established.
- Income such as Interest, Rent is recognized as per contractually agreed terms on time proportion basis.

5. Property, plant and equipment :

On transition to Ind AS, the Company has opted to continue with the previous GAAP carrying values as deemed cost for all items of plant, property and equipment.

Tangible Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes purchase price (after deducting trade discounts and rebates), including non-refundable taxes and duties and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss.

Advances paid towards acquisition of fixed assets are disclosed as Capital Advances under Other non-current assets and cost of assets not ready for use before the year-end, is disclosed as capital work in progress.

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.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Sr.	Asset	Economic Useful Life (Years)
1	Buildings (including land for which no separate Valuation is available)	58
2	Leasehold land	58
3	Plant and Equipment	3 to 10
4	Furniture and Fixtures	5
5	Test and Repair Equipment	5
6	Vehicles	5

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds

and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets taken on lease are depreciated as per useful life prescribed in schedule II, over lease period or the estimated useful life of such assets, whichever is lower. The improvements to leasehold assets are depreciated as per useful life prescribed in schedule II, over the lease period, the estimated useful life of the improvements or the balance lease period, whichever is lower.

6. Investment properties:

On transition to Ind AS, the Company has opted to continue with the previous GAAP carrying values as deemed cost for investment properties.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company, based on assessment made by technical expert and management estimate, depreciates the building over estimated useful life of 58 years which is different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that this estimated useful life is realistic and reflects fair approximation of the period over which the asset is likely to be used.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

7. Intangible assets:

On transition to Ind AS, the Company has opted to continue with the previous GAAP carrying values as deemed cost for all items of Intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised

The Company amortises intangible assets using the straight line method based on useful lives as prescribed in Schedule II.

8. Inventories:

- Inventories including Work-in-process and stores and spares are valued at the lower of cost and net realizable value.
- Inventory of Consumables is valued at cost
- Cost of inventories is generally ascertained on first in first out basis.

Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

9. Impairment of Non-Financial Assets

At each balance sheet, the Company assesses whether there is any indication that any property, plant and equipment and intangible asset may be impaired and if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their

present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

10. Foreign currencies:

The Company's financial statements are presented in ₹ which is also its functional currency.

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

11. Employee Benefits:

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense during the year when the employees render the services.

Post-Employment Benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plan

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the other Comprehensive Income.

12. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss are adjusted to the fair value on initial recognition. Purchase and sale of financial asset are recognised using trade date accounting i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Financial Assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect the contractual cash flows and the contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category applies to Trade and other receivables, Security deposits, Other advance, Loan and advances to related parties, Unbilled Income, Interest Receivable etc.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at Fair Value through other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company doesn't have any financial assets which are fair valued through Other Comprehensive Income (FVTOCI).

Financial Assets at Fair Value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss

Equity investments

All equity investments other than investment in Subsidiaries and Associates are measured at fair value, with value changes recognised in Statement of Profit and loss except for those equity investments for which the Company has elected to present the value changes in 'other comprehensive income'

The Company doesn't have any equity investments which are fair value through Other Comprehensive Income (FVTOCI)

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following

Financial assets at amortised cost

Financial assets measured at fair value through Profit or Loss Account

The Company follows simplified approach for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risks. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

The Company uses historical cost experience to determine the impairment loss allowance on the

portfolio of trade receivables. At every reporting date, the historically observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

A. *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) contract that also includes a non-

derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

13. 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.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The Company offsets current tax assets and current tax liabilities and presents the same net if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities.

- b. **Deferred tax:** Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit and thereafter a deferred tax asset or deferred tax liability is recorded for temporary differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets and the deferred tax assets and deferred tax liabilities and presents the same net if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

- c. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

14. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of

income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

15. 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.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

16. Leases:

Company as a lessee:

- a. Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue.
- b. Assets acquired under leases where all the risks and rewards incidental to 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.

17. Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

18. Cash and Cash equivalents :

Cash and cash equivalents 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, which are subject to an insignificant risk of changes in value

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management policy.

19. Earnings per share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) is the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period/year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

20. Non-current assets held for sale / discontinued operations:

The Company classifies non-current assets as held for sale/ discontinued operations if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
 - Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

3. PROPERTY, PLANT AND EQUIPMENT

(₹ Crores)

Particulars	Leasehold Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Total of Property, plant and equipment	Capital Work in Progress
Deemed Cost (Refer Note No 3.1)										
At 1 April 2015	76.33	110.58	4.09	2.94	0.22	35.66	5.67	0.31	235.80	0.59
Additions	1.63	NIL	NIL	0.01	0.28	0.09	0.03	0.10	2.14	1.27
Disposals	NIL	(0.04)	NIL	NIL	(0.08)	(0.01)	(0.01)	(0.05)	(0.19)	(1.63)
At 31 March 2016	77.96	110.54	4.09	2.95	0.42	35.74	5.69	0.36	237.75	0.23
Additions	NIL	0.67	NIL	0.29	0.46	0.42	0.08	0.77	2.69	NIL
Disposals	NIL	NIL	NIL	NIL	(0.03)	NIL	NIL	NIL	(0.03)	(0.23)
At 31 March 2017	77.96	111.21	4.09	3.24	0.85	36.16	5.77	1.13	240.41	NIL
Depreciation and impairment										
At 1 April 2015	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Depreciation charge for the year	1.72	69.34	0.97	0.87	0.22	23.12	1.86	0.07	98.17	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2016	1.72	69.34	0.97	0.87	0.22	23.12	1.86	0.07	98.17	NIL
Depreciation charge for the year	1.82	30.64	0.72	0.71	0.34	11.54	1.36	0.18	47.31	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2017	3.54	99.98	1.69	1.58	0.56	34.66	3.22	0.25	145.48	NIL
Net Book Value										
At 31 March 2017	74.42	11.23	2.40	1.66	0.29	1.50	2.55	0.88	94.93	NIL
At 31 March 2016	76.24	41.20	3.12	2.08	0.20	12.62	3.83	0.29	139.58	0.23
At 1 April 2015	76.33	110.58	4.09	2.94	0.22	35.66	5.67	0.31	235.80	0.59

- 3.1 For Property, Plant and equipment and Capital work in progress as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying values as deemed costs.
- 3.2 Deemed cost of leasehold building includes subscription towards share capital of co-operative societies amounting to ₹ 2,750/- (Previous Year ₹ 2,750/-)
- 3.3 For lien and charge on the above assets refer note no 24.2
- 3.4 In accordance with the Indian Accounting Standard (Ind AS 36) on "Impairment of Assets" the Management carried out an exercise of identifying assets that may have been impaired and on the basis of this review carried out by the Management, there was no impairment loss on Property, plant and equipment during the year ended March 31, 2017 and March 31, 2016

4. INVESTMENT PROPERTY

₹ Crores

Particulars	Freehold land	Leasehold land	Total
Opening Balance At 1 April 2015	0.23	3.05	3.28
Additions	NIL	NIL	NIL
Disposals	NIL	NIL	NIL
Closing Balance At 31 March 2016	0.23	3.05	3.28
Additions	NIL	NIL	NIL
Disposals	NIL	NIL	NIL
Closing Balance At 31 March 2017	0.23	3.05	3.28
Depreciation and impairment			
Opening Balance At 1 April 2015	NIL	NIL	NIL
Depreciation charge for the year	NIL	0.05	0.05
Disposals	NIL	NIL	NIL
Closing Balance At 31 March 2016	NIL	0.05	0.05
Depreciation charge for the year	NIL	0.06	0.06
Disposals	NIL	NIL	NIL
Closing Balance At 31 March 2017	NIL	0.11	0.11
Net Block			
At 31 March 2017	0.23	2.94	3.17
At 31 March 2016	0.23	3.00	3.23
At 1 April 2015	0.23	3.05	3.28

4.1 For Investment Property as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying values as deemed costs.

4.2 Information regarding income and expenditure of Investment property

₹ Crores

Particulars	March-17	March-16
Rental income derived from investment properties	NIL	NIL
Direct operating expenses (including repairs and maintenance) generating rental income	NIL	NIL
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(0.13)	(0.13)
Loss arising from investment properties before depreciation and indirect expenses	(0.13)	(0.13)
Less – Depreciation	(0.06)	(0.06)
Loss arising from investment properties before indirect expenses	(0.19)	(0.19)

4.3 Reconciliation of fair value:

₹ Crores

Particulars	Amount
Fair value as at 1 April 2015	36.17
Fair value difference	2.49
Purchases	NIL
Fair value as at 31 March 2016	38.66
Fair value difference	1.89
Purchases	NIL
Fair value as at 31 March 2017	40.55

Estimation of Fair Value

4.3.1 The company's investment properties consist of land parcels in the state of Gujarat and Maharashtra

4.3.2 The company obtains independent valuations for its investment properties at least annually. These valuations are performed by independent valuers who are specialists in valuing these types of investment properties. The valuation methodology is based on the prevailing rate of sale of land in said locality with the same specification and amenities. This valuation methodology is categorised under level 2 of fair value hierarchy.

4.4 For lien and charge on the above assets refer note no 24.2

5. INTANGIBLE ASSETS

₹ Crores

Particulars	Networking Software	Other than Networking Software	Total
Deemed Cost (Refer Note No 5.1)			
At 1 April 2015	1.07	NIL	1.07
Additions	0.01	NIL	0.01
Disposals	NIL	NIL	NIL
At 31 March 2016	1.08	NIL	1.08
Additions	NIL	NIL	NIL
Disposals	NIL	NIL	NIL
At 31 March 2017	1.08	NIL	1.08
Amortization and impairment			
At 1 April 2015			
Amortisation	0.28	NIL	0.28
Disposals	NIL	NIL	NIL
At 31 March 2016	0.28	NIL	0.28
Amortisation	0.05	NIL	0.05
Disposals	NIL	NIL	NIL
At 31 March 2017	0.33	NIL	0.33
Net Book Value			
At 31 March 2017	0.75	NIL	0.75
At 31 March 2016	0.80	NIL	0.80
At 1 April 2015	1.07	NIL	1.07

5.1 For Intangible assets as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs.

5.2 For lien and charge on the above assets refer note no 24.2

6. INVESTMENTS (NON CURRENT)

Particulars	31 March 2017		31 March 2016		01 April 2015	
	Numbers	₹ Crores	Numbers	₹ Crores	Numbers	₹ Crores
Investments - Trade (fully paid)						
Quoted						
Equity Shares - Associates						
GTL Infrastructure Ltd.						
(Face Value of Rs. 10/- each)	345,763,466	591.55	345,763,466	591.55	345,763,466	591.55
Less: Provision for impairment loss (Refer note 6.3)		(107.48)		NIL		NIL
Total of Quoted Investments in Equity Shares – Trade		484.07		591.55		591.55

Particulars	31 March 2017		31 March 2016		01 April 2015	
	Numbers	₹ Crores	Numbers	₹ Crores	Numbers	₹ Crores
Unquoted						
Equity Shares of						
Subsidiaries						
International Global Tele- Systems Ltd. (Face Value of US \$ 1/- each)	2,762,615	-	2,762,615	9.59	2,762,615	9.59
GTL International Ltd (Face Value of US \$ 1/- each)	3,000,000	-	3,000,000	11.96	3,000,000	11.96
Less: Provision for impairment loss		-		(21.55)		NIL
		-		NIL		21.55
Ada Cellworks Wireless Engineering Pvt. Ltd. (Face Value of ₹ 10/- each)	90,000	1.64	90,000	13.46	90,000	13.46
Less: Provision for Impairment loss		-		(11.82)		NIL
		1.64		1.64		13.46
Sub Total of Equity Shares of Subsidiaries		1.64		1.64		35.01
Associates						
Global Rural Netco Ltd. (Face Value of ₹ 10/- each)	75,000,000	-	75,000,000	30.00	75,000,000	75.00
Less: Provision for Impairment loss		-		(30.00)		(45.00)
		-		NIL		30.00
Chennai Network Infrastructure Ltd. (Face Value of ₹ 10/- each)	1,700,742,399	1,637.48	1,700,742,399	1,637.48	1,700,742,399	1,637.48
		1,637.48		1,637.48		1,667.48
Other						
European Projects and Aviation Ltd. (Face Value of ₹ 10/- each)	12,350,000	-	12,350,000	53.81	12,350,000	53.81
Less: Provision for Impairment loss		-		(53.81)		NIL
		-		NIL		53.81
Total of Un-quoted Investments in Equity Shares – Trade		1,639.12		1,639.12		1,756.30
Investments at fair value						
Preference Shares of						
Subsidiaries						
3.5% Preference Shares of GTL International Ltd. (Face Value of US\$ 1/- each)	5,000,000	32.37	5,000,000	33.07	5,000,000	31.23
3.5% Preference Shares of International Global Tele-Systems Ltd. (Face Value of US\$ 1/- each)	69,000,000	446.65	69,000,000	456.33	69,000,000	430.97
Less : Provision for Impairment loss		(479.02)		(489.40)		NIL
Sub Total of Preference share of Subsidiaries		NIL		NIL		462.20

Particulars	31 March 2017		31 March 2016		01 April 2015	
	Numbers	₹ Crores	Numbers	₹ Crores	Numbers	₹ Crores
Associates						
6% Cumulative Redeemable Preference Shares of Global Rural Netco Ltd.	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
Less : Provision for Impairment loss		(200.00)		(200.00)		NIL
Sub Total of Preference share of Associates		NIL		NIL		200.00
Others						
0.1% Cumulative Preference Shares of Global Proserv Ltd (Face Value of ₹ 100/- each)	13,000,000	100.24	13,000,000	100.24	13,000,000	100.24
Less : Provision for Impairment loss		(100.24)		(100.24)		NIL
Total		NIL		NIL		100.24
0.1% 12 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/- each)	13,000,000	15.04	13,000,000	15.04	13,000,000	15.04
0.02% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/- each)	50,250,000	19.11	50,250,000	19.11	50,250,000	19.11
0.1% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹10/- each)	44,246,900	77.50	44,246,900	77.50	44,246,900	77.50
Total		111.65		111.65		111.65
Less : Provision for Impairment loss		(111.65)		(111.65)		NIL
Total of Un-quoted Investments in Preference Shares - Others		NIL		NIL		211.89
Total of Un-quoted Investments in Preference Shares		NIL		NIL		874.09
Trade						
Debenture of :						
Associates						
11% Fully Convertible Debenture Series - A Global Rural Netco Ltd. (Face Value of ₹ 100/- each)	15,000,000	150.00	15,000,000	150.00	15,000,000	150.00
Less : Provision for Impairment loss		(150.00)		(150.00)		NIL
Total of Un-quoted Investments in Debentures – Trade		NIL		NIL		150.00
Total of Un-quoted Investments – Trade		1,639.12		1,639.12		2,780.39
Total Investments		2,123.19		2,230.67		3,371.94
Aggregate amount of quoted investments		591.55		591.55		591.55
Aggregate market value of quoted investments		198.81		72.61		67.42

Particulars	31 March 2017		31 March 2016		01 April 2015	
	Numbers	₹ Crores	Numbers	₹ Crores	Numbers	₹ Crores
Aggregate Amount of unquoted investments		2,680.03		2,807.59		2,825.39
Aggregate amount of impairment in value of investments		1,148.39		1,168.47		45.00

6.1 On the date of transition i.e. April 01, 2015 as per the option available in (Ind AS 101) "First Time Adoption of Indian Accounting Standard", the Company valued its equity investment in subsidiaries and associates at cost.

6.2 Subsequent to transition date, the Company has measured its investments in preference shares and equity share at fair value and tested these investment for expected credit loss and differences have been accounted through Profit and Loss Account.

6.3 The Company has strategic and long term equity investments in its associates, GTL Infrastructure Limited (GIL) and Chennai Network Infrastructure Limited (CNIL). The cost of investments in GIL & CNIL as at March 31, 2017 is ₹ 591.55 Crores and ₹ 1637.48 Crores respectively. Both the associates have incurred cash losses and their net worth has been substantially eroded. The Company continues to carry its investment in CNIL at cost though its book value is lower than its carrying value as in the opinion of the management the Company's equity interest in the said associate based on associate's business plans as at March 31, 2017 support the carrying value of the investment and recoverable amount of this investment is higher than carrying value. In respect of investment in GIL, the Company has recognized impairment provision of ₹ 107.48 Crores which in view of the Management is adequate. The recoverable amounts used in the impairment test calculations are determined on the basis of value in use. The cash flow forecasts are based on the long term financial model of the investee companies.

7. LOANS (NON CURRENT)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Unsecured, Considered good			
Deposits with body corporates and others	7.38	7.38	7.63
Deposits with government authorities	0.03	0.03	0.03
Total	7.41	7.41	7.66

8. OTHER (NON-CURRENT)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Unsecured, considered good			
Advances to Subsidiaries	NIL	NIL	270.46
Advance to Suppliers (Refer note 8.2)	342.88	361.04	631.04
Other Advances	192.79	192.79	192.79
Unsecured, considered doubtful			
Advances to Subsidiaries	287.23	293.12	7.23
Advance to Suppliers	424.16	406.00	136.00
Total Loans (before Allowance for credit losses)	1,247.06	1,252.95	1,237.52
Allowance for credit losses			
Advances to Subsidiaries (Refer note 8.1)	(287.23)	(293.12)	(7.23)
Advance to Suppliers (Refer note 8.2)	(424.16)	(406.00)	(136.00)
Total	535.67	553.83	1,094.29

8.1 The Company carries out international business through its wholly owned subsidiaries. The Company in last 15 years supported expansion of international business operations by providing performance and financial guarantees / obligations. The Company's inability to extend support to these subsidiaries in the recent past coupled with down trend in the telecom sector resulted in development of guarantees, incurrence of substantial losses and erosion of net worth of these companies. The Company has fully provided for amount due from these companies on the basis of expected credit loss.

8.2 The Company in the past years had paid advances for procurement of material to execute large telecom projects such as BSNL mega tenders, Aircel and other telecom projects. In view of discontinuation of these projects, the Company was forced to cancel the procurement of material and initiate steps to recover these advances. The Company successfully negotiated with its suppliers and recovered part of the advances. As part of negotiated terms, the Company was required to assist the suppliers for procuring Bank Guarantees / SBLC. The Company was unable to meet this requirement resulting in suppliers raising disputes. Considering negotiations with the suppliers, adequate impairment provision of ₹ 18.16 Crores and ₹ 270.00 Crores was made during the FY 2016-17 and FY 2015-16 respectively towards these advances on the basis of expected credit loss. The management is confident of recovery of advances which have been considered good.

9. OTHER NON-CURRENT ASSETS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Capital advances	0.07	0.07	0.08
Total	0.07	0.07	0.08

10. INVENTORIES

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Stock-in-trade held for trading (Refer note 10.2)	NIL	NIL	2.33
Consumables	5.94	NIL	3.30
Total	5.94	NIL	5.63

10.1 For basis of valuation – Refer Point No. 8 of Note No. 2“Significant Accounting Policies”

10.2 Stock-in-trade held for trading of ₹2.33 Crores as on April 01, 2015 pertains to business activity which was discontinued during the FY 15-16.

11. INVESTMENTS (CURRENT)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Investments -Unquoted			
Investment in Mutual Funds of:			
J P Morgan India Liquid Fund – Growth Plan (No of Units - 8,995,603)	NIL	NIL	16.34
DSP BlackRock Liquidity Fund – Growth Plan (No of Units - 26,354)	NIL	NIL	5.27
Total	NIL	NIL	21.61
Aggregate Amount of unquoted investments	NIL	NIL	21.61
Aggregate amount of impairment in value of investments	NIL	NIL	NIL

11.1 For basis of valuation – Refer Point No. 11 of Note No. 2“Significant Accounting Policies”

12. TRADE RECEIVABLES

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Trade receivables Unsecured,			
considered good	125.24	138.48	224.29
Doubtful	194.03	157.11	76.49
	319.27	295.59	300.78
Allowance for credit losses	(194.03)	(157.11)	(76.49)
	(194.03)	(157.11)	(76.49)
Total	125.24	138.48	224.29
Trade receivables (Net of allowance for credit losses)			
Subsidiaries	15.62	16.21	21.09
Associates	30.66	27.90	29.75
External	78.96	94.37	173.45
Total	125.24	138.48	224.29

12.1 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.

12.2 For terms and conditions relating to related party receivables, refer Note 41.2.3

13. CASH AND CASH EQUIVALENTS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Balances with banks			
In current accounts	82.01	66.72	54.00
Cheques on hand (Since realised)	13.11	NIL	NIL
Cash on hand	0.05	0.09	0.07
	95.17	66.81	54.07

13.1 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as provided in the Table below:

₹ Crores

Particulars	SBN's	Other Denomination notes	Total
Closing Balance in hand as on 08.11.2016	0.06	0.02	0.08
(+) Permitted receipts	NIL	0.06	0.06
(-) Permitted payments	NIL	0.03	0.03
(-) Amount deposited in Banks	0.06	NIL	0.06
Closing cash in hand as on 30.12.2016	NIL	0.05	0.05

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Margin money with banks against guarantees*	5.78	12.29	18.68
Earmarked bank balances towards unclaimed dividend	0.34	0.46	0.59
	6.12	12.75	19.27

* Includes ₹1.03 Crores (as at March 31, 2016 ₹ 0.68 Crores and as at April 01, 2015 ₹ 0.29 Crores) having maturity after 12 months.

15. LOANS (CURRENT)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Unsecured			
Loans to employees	0.00	NIL	0.25
Deposits with body corporates and others			
considered good	14.17	10.86	NIL
considered doubtful	2.38	2.38	2.52
Total	16.55	13.24	2.77
Allowance for credit losses on deposits	(2.38)	(2.38)	(2.52)
	(2.38)	(2.38)	(2.52)
Total	14.17	10.86	0.25

16. OTHERS (CURRENT)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Considered good to the extent not provided			
Advance to Suppliers (Refer note 16.1)	192.58	200.17	227.47
Interest receivable (Refer note 16.2)	45.91	45.91	41.79
Interest receivable on term deposit	0.21	0.37	0.70
Other Advances	4.03	3.79	3.58
Receivable towards reimbursable of cost / expenses	13.02	13.55	12.19
Unbilled Revenue	77.51	49.29	52.63
Total	333.26	313.08	338.36
Allowance for credit losses			
Interest receivable	(45.91)	(45.91)	NIL
Other Advances	(2.00)	NIL	NIL
Receivable towards reimbursable of cost / expenses	(11.72)	(11.98)	(2.42)
	(59.63)	(57.89)	(2.42)
Total	273.63	255.19	335.94

16.1 The Company in the past had paid advances for procurement of material for execution of certain telecom projects. In view of cancellation of these projects, the Company was forced to cancel the procurement of material and initiate steps to recover these advances. No credit loss is expected in respect of these advances and the management is confident of recovery of the same.

16.2 Includes ₹ 26.54 Crores, ₹ 26.54 Crores and ₹ 22.42 Crores as at March 31, 2017, as at March 31, 2016 and as at April 01, 2015 respectively receivable from a related party.

17 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Claims receivables - Distribution Franchise (net) (Refer note 17.1)	43.83	43.83	43.83
Total	43.83	43.83	43.83
Allowance for credit losses on claims receivables - DF	(43.83)	NIL	NIL
	(43.83)	NIL	NIL
Total	NIL	43.83	43.83

17.1 During the financial year 2014-15 Distribution Franchise (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 amount payable of ₹ 210.76 Crores to MSEDCL is adjustable against receivable of ₹ 254.59 crores from them and accordingly has been presented net. The Company has tested the amount receivable from MSEDCL for expected credit loss and accordingly ₹ 43.83 crores is provided for (refer note no 34.1)

18. CURRENT TAX ASSETS (NET)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Advance Income Tax & Tax deducted at source (Net of provision)	26.28	14.18	8.28
Total	26.28	14.18	8.28

19. OTHER CURRENT ASSETS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Prepaid Expenses	0.83	0.95	1.65
Input Tax Recoverable	15.19	18.63	11.35
Advance to Suppliers	21.85	31.00	18.60
Less: Allowance for credit losses	(5.16)	(0.66)	(0.45)
	16.69	30.34	18.15
Advances to employees	0.27	0.39	0.98
Less: Allowance for credit losses	(0.17)	(0.39)	(0.79)
	0.10	NIL	0.19
Total	32.81	49.92	31.34

20. SHARE CAPITAL**Authorised Share Capital**

Particulars	Equity shares		Preference shares	
	Nos	₹ Crores	Nos	₹ Crores
At 1 April 2015	290,000,000	290.00	810,000,000	810.00
Increase / (decrease) during the year	NIL	NIL	NIL	NIL
At 31 March 2016	290,000,000	290.00	810,000,000	810.00
Increase / (decrease) during the year	NIL	NIL	NIL	NIL
At 31 March 2017	290,000,000	290.00	810,000,000	810.00

20.1 Terms/ rights 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 and Articles of Association of the Company.

20.2 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), a Company's associate. 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.

The OCPS holder/s shall have all other rights as available as per the provisions of Companies Act, 2013, read together with Memorandum and Articles of Association of the Company.

20.3 Issued equity capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No.	₹ Crores
At 1 April 2015	157,296,781	157.30
Changes during the year	NIL	NIL
At 31 March 2016	157,296,781	157.30
Changes during the year	NIL	NIL
At 31 March 2017	157,296,781	157.30

20.4 Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	No. in Crores	% holding in the class	No. in Crores	% holding in the class	No. in Crores	% holding in the class
Equity Shares						
Global Holding Corporation Private Limited (One of the Promoters and the Company's associate)	2.90	18.42	5.10	32.41	5.10	32.41
Syndicate Bank	2.20	13.99	NIL	NIL	NIL	NIL
Mr. Manoj G. Tirodkar	1.86	11.82	1.86	11.82	1.86	11.82
Preference Shares						
Chennai Networks Infrastructure Limited (Company's associate)	65.00	100.00	65.00	100.00	65.00	100.00

21. BORROWINGS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Non-current borrowings			
Non-current interest bearing loans and borrowings:			
Unsecured loans			
Liability component of compound financial instrument			
0.01% Non-Participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10/- each fully paid - up	127.08	114.39	102.93
Total unsecured loans	127.08	114.39	102.93

21.1 Liability component of compound financial instrument i.e 0.01% Non-Participating Optionally Convertible Cumulative Preference Shares (OCPS) is determined considering effective interest rate.

21.2 Refer note 20.2 for Terms, Rights, Preferences, redemption details and restrictions attached to 0.01% - Non Participating Optionally Convertible Cumulative Preference Shares (OCPS)

22. PROVISIONS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Provision for Employee Benefits			
Gratuity	NIL	NIL	NIL
Leave Encashment	0.97	1.12	1.32
	0.97	1.12	1.32

23. TRADE PAYABLES

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Trade payables	108.63	107.12	99.80
Trade payables to related parties (refer note 23.1)	34.66	17.29	3.52
	143.29	124.41	103.32

23.1. Details of Trade payable - related parties

₹ Crores

Particulars	31 March 2017	1 March 2016	1 April 2015
Subsidiaries	4.97	5.08	3.52
Associates	29.69	12.21	NIL
	34.66	17.29	3.52

23.2 For terms and conditions with related parties, refer to Note 41.2.3

23.3 The Company has sought the balance confirmations from the trade payables and has received such confirmations from some purchasers. In respect of remaining purchaser, balances are subject to confirmation and appropriate adjustment, if necessary, will be considered in the year of reconciliation.

23.4 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.

Particulars	31 March 2017	31 March 2016	1 April 2015
Principal amount remaining unpaid	0.94	0.94	0.99
Interest due thereon	2.80	2.59	2.35
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	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);	NIL	0.04	0.13
The amount of interest accrued and remaining unpaid at the end of accounting year	2.80	2.59	2.35
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.	0.21	0.23	0.32

24. OTHER FINANCIAL LIABILITIES

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Secured			
Payable to CDR lenders (Refer Note 24.1 and 24.2)	2,793.59	2,774.02	2,718.15
Unsecured			
Payable to External Commercial Borrowings (ECB) lenders (Refer Note 24.3)	720.13	735.73	694.86
Payable to Holders of Rated Redeemable Unsecured Rupee Non-Convertible Debentures (NCD) (Refer Note 24.3 and 24.4)	1,649.16	1,649.16	1,649.16
Interest accrued and due on borrowings (Refer Note 24.5)	1,461.01	968.25	487.92
Interest accrued and due on others	2.80	2.59	2.35
Liability towards guarantee obligation	58.92	126.77	261.60
Unpaid dividend	0.34	0.46	0.59
Payable for capital expenditure	0.41	0.47	0.28
Accrued expenses	17.33	18.48	9.22
Security Deposit Received	2.28	2.24	2.23
Accrued salaries & Employee benefits	1.09	1.32	0.89
Expense Creditors	10.85	14.26	15.37
Others	1.11	1.33	1.04
	6,719.02	6,295.08	5,843.66

24.1 In view of non-adherence to the agreed CDR terms for repayment of principal loan, interest and other conditions, the entire liability towards CDR lenders is presented under current financial liability on implementation of Ind AS. The Company continues to be under CDR. Non of the CDR lenders have recalled the loan due to them. Company's proposal for negotiated settlement of debts has been agreed in principle by all sets of lenders viz. CDR, NCD and ECB Lenders.

Details of defaults in repayment of due to the lenders (as per CDR / Sanctioned terms)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Payable to CDR Lenders June 14 15 to March 17 (June 14 to March 16) [June 14 to March 15] (Includes Term loan of ₹ 956.78 Crores, FITL of ₹ 303.97 Crores and Dues towards BG invocation ₹ 112..27)	1,373.02	901.50	419.55
Payable to External Commercial Borrowings (ECB) lenders (Due since september 2011)	720.13	735.73	694.86

24.2 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 Crores; and
- h) Mr. Manoj G. Tirodkar and Global Holding Corporation Private Limited (GHC), 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 Crore. 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.

24.3 As a culmination of discussion among the 3 sets of Lenders viz CDR Lenders, ECB Lenders and NCD Holder, all the Lenders agreed in-principle to consider the One Time Settlement (OTS) proposal and the sharing ratio decided by the Lenders for settlement of their dues. Since reporting of these details in the previous year, while some of the Lenders have given their approvals, the approvals of the others is awaited. Though it was originally expected that the individual approvals of the lenders would be received by March 31, 2016 there was delay. However the lenders have agreed to expedite the process of approval of settlement and strive to complete the same by June 2017. In the JLF meeting, the NCD Holder has informed that it has also approved the proposal and once the approval from other lenders are received, they would file consent terms at Bombay High Court for withdrawing its Winding up Petition. As regards ECB, the approval of some of the ECB Lenders is awaited.

24.4 The holder of Rated Redeemable Unsecured Rupee Non-Convertible Debentures had 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 entered into amendment to the original sanction letter to restructure NCD debt.

While the Company was in the process of obtaining consent of the CDR lenders on bilateral restructuring documents, the Company received a notice from the NCD holder exercising its rights for acceleration of the entire outstanding amount and filed winding up petition against the Company before Hon'ble High Court of Bombay. 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.

Further NCD holder along with other lenders agreed in-principle for the One Time Settlement (OTS) proposal made by the Company

24.5 Details of Interest accrued and due on borrowings comprises of:

- a) Overdue Interest of ₹ 502.79 Crores relating to the period March 14 to March 17 (as at March 31, 2016 ₹346.25 Crores and as at April 01, 2015 ₹189.28 Crores relating to the March 14 to March 16 and March

2014 to March 2015 respectively) on amounts due to holders of Rated Redeemable Unsecured Rupee Non-convertible Debentures;

- b) Overdue Interest of ₹ 164.51 Crores relating to the period for December 12,2011 to March 31,2017 (as at March 31,2016 ₹ 131.95 Crores and as at April 01, 2015 ₹ 93.75 crores relating to the period December 12,2011 to March 31,2016 and December 12, 2011 to March 31, 2015 respectively) on External Commercial Borrowings;
- c) Overdue Interest of ₹ 727.80 Crores relating to the period June 2014 to March 2017 (as at March 31,2016 ₹ 454.44 Crores and as at April 01, 2015 ₹ 196.54 crores relating to the period June 2014 to March 2016 and June 2014 to March 2015 respectively) on Secured Term Loan;
- d) Overdue interest of ₹ 22.64 Crores relating to the period June 2014 to March 2017 (as at March 31, 2016 ₹ 13.32 Crores and as at April 01, 2015 ₹ 5.87 Crores relating to the period June 2014 to March 2016 and June 2014 to March 2015 respectively) on Secured Funded Interest Term Loan;
- e) Overdue interest of ₹ 23.00 Crores September 2014 to March 2017 (as at March 31, 2016 ₹ 12.50 Crores and as at April 01, 2015 ₹ 2.48 crores relating to the period September 2014 to March 2016 and September 2014 to March 2015) on Cash Credit facility;
- f) Overdue interest of ₹ 20.27 Crores November 2014 to March 2017 (as at March 31, 2016 ₹ 9.79 Crores relating to period November 2014 to March 2016 and as at April 01, 2015 ₹ Nil) on Dues towards BG Invocation.

25. OTHER CURRENT LIABILITIES

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Advance from customers and unearned income	3.74	15.82	13.68
Unearned Revenue	27.07	23.16	23.04
Withholding and other taxes payable	8.11	8.31	11.64
Others	0.02	0.02	0.02
	38.94	47.31	48.38

26. PROVISIONS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Provision for Employee Benefits			
Gratuity	NIL	NIL	0.49
Leave Encashment	0.06	0.04	0.13
	0.06	0.04	0.62

27. REVENUE FROM OPERATIONS

₹ Crores

Particulars	31 March 2017	31 March 2016
Sale of products		
Telecom Products	4.91	40.97
Sale of Services		
Telecom Network Services	148.52	153.82
Energy Management and Operation Maintenance	1,053.20	1,045.57
Telecom Turnkey Projects	14.48	NIL
	1,221.11	1,240.36

28. OTHER INCOME

₹ Crores

Particulars	31 March 2017	31 March 2016
Interest income		
Bank Deposits	0.95	0.98
Others	8.14	4.50
Gain on foreign currency transactions (Net)	19.12	23.50
Profit on sale of current investments	NIL	2.19
Profit on sale of Fixed Assets (Net)	0.35	0.23
Lease and rent income	3.22	2.73
Other non-operating income	1.73	6.01
Total	33.51	40.14

29. COST OF PURCHASES / SERVICES RENDERED

₹ Crores

Particulars	31 March 2017	31 March 2016
Cost of Purchases		
Purchase of Stock-in-Trade	4.54	38.28
Cost of Services rendered		
Electricity and Diesel cost for Energy Management	304.12	527.17
Sub-Contractor Charges	582.45	379.90
Vehicle Hire Charges	6.88	4.95
	893.45	912.02
Total	897.99	950.30

30. CHANGES IN INVENTORIES OF STOCK-IN- TRADE

₹ Crores

Particulars	31 March 2017	31 March 2016
Consumables	(5.94)	3.30
Total	(5.94)	3.30

31. EMPLOYEE BENEFITS EXPENSES

₹ Crores

Particulars	31 March 2017	31 March 2016
Salaries, wages and bonus	45.24	47.12
Contribution to provident and other funds	3.03	3.19
Staff welfare expense	3.03	2.83
Outsourced Manpower Cost	88.49	79.91
Total	139.79	133.05

32. FINANCE COSTS

₹ Crores

Particulars	31 March 2017	31 March 2016
Interest		
– On fixed period loan	532.64	518.71
– On OCPS	12.70	11.46
– Others	1.78	3.03
Exchange difference to the extent considered as an adjustment to borrowing cost	NIL	26.60
Total	547.12	559.80

33. DEPRECIATION AND AMORTIZATION EXPENSE

₹ Crores

Particulars	31 March 2017	31 March 2016
Depreciation of tangible assets (note 3)	47.31	98.16
Amortization of intangible assets (note 5)	0.05	0.27
Depreciation on Investment Properties (note 4)	0.06	0.05
Total	47.42	98.48

34. OTHER EXPENSES

₹ Crores

Particulars	31 March 2017	31 March 2016
Communication Expenses	1.58	1.84
Advertisement Expenses	0.68	0.09
Business Promotion Expenses	0.37	0.56
Rates & Taxes	0.80	0.76
Rent	3.57	3.72
Electricity Charges	2.00	2.21
Insurance	0.54	1.38
Legal and Professional Fees	10.21	5.82
Travelling & Conveyance Expenses	3.79	3.52
Director's Sitting Fees	0.72	0.27
Auditor's Remuneration (Refer note 34.2)	0.42	0.42
Repairs & Maintenance - Others	1.57	2.25
Allowance for credit losses - Trade Receivables	36.67	79.72
Allowance for credit losses- Other Receivables (refer note 34.1)	68.03	45.76
Provision for impairment of investment	107.48	NIL
Other Expenses	25.00	36.54
Total	263.43	184.87

34.1 Includes ₹ 43.83 Crores (₹ NIL Crores) towards receivable of distribution franchisee business.

34.2 Payments to the auditor:

₹ Crores

Particulars	31 March 2017	31 March 2016
As auditor		
Audit fee	0.30	0.30
Tax audit fee	0.06	0.06
VAT Audit Fees	0.03	0.03
In other capacity:		
Other services (certification fees)	0.01	0.01
Reimbursement of expenses	0.02	0.02
Total	0.42	0.42

35. EXCEPTIONAL ITEMS

₹ Crores

Particulars	31 March 2017	31 March 2016
Expected Credit loss		
– Advance to supplier (refer note 8.2)	NIL	(270.00)
– Advance to subsidiaries (refer note 8.1)	NIL	(285.91)
Impairment loss on Investment in Subsidiaries, Associates and Affiliates recognised base on investee companies ability to fulfill its financial obligations	NIL	(1,168.50)
	NIL	(1,724.41)

36. DISCONTINUED OPERATIONS

The Company discontinued its Power EPC Business in the previous year.

- i) The results of discontinued operations are presented below :

₹ Crores

Particulars	31 March 2017	31 March 2016
Revenue	NIL	1.29
Other Income	NIL	0.29
Total Income	NIL	1.58
Expenses		
Cost of Purchases/Services	NIL	0.22
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	NIL	2.33
Employee benefits expenses	NIL	0.33
Finance costs	NIL	0.49
Depreciation and amortization expense	NIL	0.02
Other expenses	NIL	18.15
Total Expenses	NIL	21.54
Profit / (Loss) before exceptional and extraordinary items and tax	NIL	(19.96)
Exceptional Items	NIL	(19.78)
Profit/(loss) before tax from a discontinued operation	NIL	(39.74)
Tax (expenses)/income:	NIL	NIL
Profit/(loss) for the year from a discontinued operation	NIL	(39.74)

- ii) For carrying amount of assets and liabilities pertaining to discontinued operations refer note 17.1.

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

₹ Crores

Particulars	31 March 2017	31 March 2016
Operating	NIL	(29.73)
Investing	NIL	0.11
Financing	NIL	NIL
Net cash (outflow)/inflow	NIL	(29.62)

₹ Crores

Earnings per share:	31 March 2017	31 March 2016
Basic	NIL	(2.53)
Diluted	NIL	(2.53)

37. EARNINGS PER SHARE (EPS)

₹ Crores

Particulars	31 March 2017	31 March 2016
Loss after tax:		
Continuing operations	(629.86)	(2,373.71)
Add :		
Dividend payable on cumulative Preference Shares	(0.07)	(0.07)
Tax on cumulative Preference Dividend payable	(0.01)	(0.01)
Loss attributable to equity holders of continuing operations for basic earnings	(629.94)	(2,373.79)
Loss attributable to equity holders of discontinued operations for basic earnings	NIL	(39.74)
Loss attributable to equity holders total operations for basic earnings	(629.94)	(2,413.53)
Weighted average number of Equity shares for basic EPS	15.73	15.73
Weighted average earnings per share (basic and diluted) (continuing operations)	(40.04)	(150.91)
Weighted average earnings per share (basic and diluted) (discontinued operations)	NIL	(2.53)
Weighted average earnings per share (basic and diluted) (total operations)	(40.04)	(153.44)

37.1. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

37.2. There were no potentially dilutive equity shares which would have been outstanding as at the year end.

38. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Standalone financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The Management believes that the judgments and estimates used in preparation of financial statement are prudent and reasonable.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to

determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 42 for further disclosures.

Allowances for credit loss on Trade Receivable , Advance to supplier and other receivable

The Provision for allowances for credit loss for Trade Receivable , Advance to supplier and other receivable are based on assumptions about the risk of defaults and expected credit loss. The Company uses judgment in making these assumption and selecting the inputs to the calculation of provision for allowance based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Provisions for impairment loss on Investment

Provisions for impairment loss on Investment is based on evaluation of financial position of investee companies to meet their obligations for honouring their commitments towards the investment held by the Company.

39. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

a) Defined Contribution Plan

₹ Crores

Particulars	31 March 2017	31 March 2016
Employer's Contribution to Provident fund	1.48	1.50
Employer's Contribution to Pension fund	0.56	0.59
Total	2.04	2.09

The Company makes contribution towards provided fund and superannuation fund which are in nature of defined contribution post employee benefit plan. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. amount recognised as an expense in the statement of Profit and Loss - included in note 31 - "Contribution to provident and other funds" ₹ 2.04 crores (previous year ₹ 2.09 crores) is given in table above

b) Defined Benefit Plan

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

Based on accutrial valuation obtained as at the Balance Sheet date the following table sets out the details of Defined Benefit obligation.

1. Movement in obligation - Gratuity

₹ Crores

Particulars	31 March 2017	31 March 2016
Defined Benefit Obligation at beginning of the period	4.70	5.69
Current service cost	0.42	0.49
Interest cost	0.38	0.46
Benefits paid	(1.03)	(1.94)
Actuarial changes arising from changes in financial assumptions	0.30	(0.02)
Experience adjustments	0.12	0.02
Defined Benefit Obligation at end of the period	4.89	4.70

2. Movement in Plan Assets - Gratuity

₹ Crores

Particulars	31 March 2017	31 March 2016
Fair value of plan assets at beginning of year	4.75	5.20
Expected return on plan assets	0.38	0.42
Employer contributions	0.81	1.11
Benefits paid	(1.03)	(1.94)
Actuarial gain / (loss)	(0.02)	(0.04)
Fair value of plan assets at end of year	4.89	4.75
Present value of obligation	4.89	4.70
Net funded status of plan	(0.01)	(0.05)
Actual return on plan assets	0.36	0.38

3. Recognised in profit and loss

₹ Crores

Particulars	31 March 2017	31 March 2016
Current Service cost	0.42	0.49
Interest cost	(0.00)	0.04
Total	0.42	0.53
Actual return on plan assets	0.36	0.38

4. Recognised in Other Comprehensive Income

₹ Crores

Particulars	31 March 2017	31 March 2016
Remeasurement - Actuarial loss/(gain)	0.42	0.01
Return on plan assets, excluding Interest Income	0.02	0.04
Total	0.44	0.05

5. **The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:**

Weighted average actuarial assumptions	31 March 2017	31 March 2016
Attrition rate	2.00%	2.00%
Discount Rate	7.29%	8.04%
Expected Rate of increase in salary	5.50%	5.50%
Expected Rate of Return on Plan Assets	7.29%	8.04%
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees	15 Years	15 Years

6. **Sensitivity analysis:**

Particulars	Changes in Assumption	Effect on gratuity obligation
For the year ended March 31, 2016		4.70
Discount rate	+1%	(0.36)
	-1%	0.42
Salary Growth rate	+1%	0.42
	-1%	(0.38)
Withdrawal Rate	+1%	0.07
	-1%	(0.08)
For the year ended March 31, 2017		4.89
Discount rate	+1%	(0.40)
	-1%	0.46
Salary Growth rate	+1%	0.46
	-1%	(0.41)
Withdrawal Rate	+1%	0.05
	-1%	(0.05)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

7. **History of experience adjustments is as follows:**

₹ Crores

Particulars	31 March 2017	31 March 2016
Plan Liabilities - (loss)/gain	0.11	0.03
Plan Assets - (loss)/gain	(0.02)	(0.04)

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	₹ Crores
01 Apr 2017 to 31 Mar 2018	0.36
01 Apr 2018 to 31 Mar 2019	0.13
01 Apr 2019 to 31 Mar 2020	0.29
01 Apr 2020 to 31 Mar 2021	0.35
01 Apr 2021 to 31 Mar 2022	0.22
01 Apr 2021 Onwards	2.54

8. Statement of Employee benefit provision

₹ Crores

Particulars	31 March 2017	31 March 2016
Gratuity	NIL	NIL
leave encashment	1.03	1.16
	1.03	1.16

40. COMMITMENTS AND CONTINGENCIES

a. Leases

Operating lease commitments — Company as lessee

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 ₹ 3.57 Crores (₹ 3.80 Crores.).

The lease obligations due within next five-years are ₹ 4.19 Crores. (₹ 5.93 Crores.). Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Within one year	1.57	4.07	5.02
After one year but not more than five years	2.62	1.86	9.50
More than five years	NIL	NIL	NIL
	4.19	5.93	14.52

b. Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for:

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
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.)	NIL	NIL	1.24

(ii) Other Commitments

- GTL Infrastructure Ltd (GIL) is an associate of the Company. The Company's equity shareholding in GIL as at Balance Sheet date is 14.05% . As a promoter of GIL, the Company has furnished following undertakings in respect of credit facilities of ₹ 2,004.45 Crore 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.
- c) Chennai Network Infrastructure Limited (CNIL) is an associate of the Company. The Company's equity shareholding as at March 31, 2017 is 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% holding 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-compense in respect of relief extended and sacrifices made by them of ₹ 555.87 Crore as per Master Restructuring Agreement (MRA). Such right is exercisable by CDR lenders based on criteria's/ conditions as detailed in MRA

c. Contingent liabilities

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Claims against the Company not acknowledged as debts (refer note 40.C.1)	2,104.03	321.63	321.43
Put option by IFCl on optionally convertible loan of GRNL (including interest accrued thereon of ₹ 71.04 crores) (FY 15-16 ₹ 51.04 Crores and FY 14-15 ₹ 37.54 Crores) (refer note 40.C.2)	171.04	151.04	137.54
Guarantees given by Banks on behalf of the Company	44.35	44.74	64.61
Performance Guarantees issued to banks on behalf of Subsidiaries / Associates and Affiliates	5.00	5.00	5.00
Corporate Guarantees given by the Company for loans taken by subsidiaries / others	186.78	590.39	581.20
Disputed Sales tax liabilities for which appeals are pending (Amount deposited ₹ 1.94 Crores (FY 15-16 ₹ 1.99 Crores and FY 14-15 ₹ 0.91 Crores)	61.08	9.65	11.31
Disputed Service Tax liabilities for which appeals are pending (Amount deposited/adjusted ₹ 0.97 Crores (FY 15-16 NIL and FY 14-15 NIL)	17.35	NIL	NIL
Dividend on 0.01% Non-Participative Optionally Convertible Cumulative Preference Share	0.30	0.23	0.16

Future cash outflows in respect of vi and vii matters are determinable only on receipt of judgments or decisions pending at various forum.

The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required in respect of above liability.

40.C.1. Claims against the Company not acknowledged as debts

As on March 31, 2017, there were 33 cases against the Company, pending in various Courts and other Dispute Redressal Forums.

- i) In 8 out of 32 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 8 cases.
- ii) Out of the balance 24 cases, 13 cases are from its earlier power business, 7 cases are from telecom related businesses and 1 case is in respect of non-allotment / non-refund of money in its IPO, which are being 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. In another case, SBI Mauritius has filed commercial suit against the Company in the Hon'ble Bombay High Court in respect of the Company's comfort letter issued in favour of one of its Wholly Owned Subsidiaries (WOS) towards WOS's credit facilities. The contingent liability of these 23 cases is ₹ 320.90 Crores.
- iii) Holder of NCD issued by the company 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 crores. Contingent Liability of ₹ 98.09 Crores represents difference between amount claimed by NCD holders and amount accounted by the Company in the books as on 30th September, 2014 of ₹ 1,760.37 crores based on the amended terms on 22nd March, 2014. Presently the matter is sub-judice.
- iv) In the balance one case, the Department of Telecom (DOT) has raised a frivolous demand of ₹ 1,506.04 Crores based on Adjusted Gross Revenue defined in one of the judgments of the Hon'ble Supreme Court for ISP license fee pertaining to the business carried out by the Company well before the year 2009 and the relevant ISP license was surrendered to DOT in 2009 for which DOT had issued a no-dues certificate in November 2010. The Company is contesting this demand in an appropriate forum.
- v) Claim of ₹ 179.00 Crores from Global Holding Corporation, an associate of the Company towards loss occurred to the associate on account of invocation by lender of share investment held by the associate in the Company which was offered as pledge for the credit facility availed by the Company.

40.C.2. The put option given by the Company in respect of Optionally Convertible Loan (OCL) of ₹ 100.00 Crores raised by Global Rural Netco Ltd. one of its associates from a Financial Institution has been exercised by the said Institution. It has also filed winding up petition against the Company & Company's associate which is yet to be admitted. The Company's associate has approached the said financial institution to work out possible solutions. The Company, as per the terms and conditions of Master Restructuring Agreement (MRA), has not received prior approval of CDR Lenders / CDR EG for accepting liability under put option. The Company, therefore, continues to treat liability under put option (including interest accrued as at March 31, 2017 of ₹ 71.04 Crores) as a "Contingent Liability"

d. Movement in provisions

Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets:-

			₹ Crores
Particulars	31 March 2017	31 March 2016	
Compensated Absences at beginning of the period	1.16	1.44	
Addition	0.06	0.36	
Benefits paid	(0.19)	(0.64)	
Compensated Absences at end of the period	1.03	1.16	

41. 1. Related Parties**A Subsidiaries**

- a) International Global Tele Systems Ltd.
- b) GTL International Ltd.
- c) Ada Cellworks Wireless Engineering Pvt. Ltd.

B Fellow Subsidiaries (Subsidiaries of GTL International Ltd.)

- a) GTL (Singapore) Pte Ltd.
- b) GTL Overseas Middle East JLT
- c) GTL Europe Limited.
- d) GTL Nepal Limited.
- e) IGTL Myanmar Limited

In view of being dormant, operations of step down subsidiary in Kenya, Tanzania, Indonesia, Bangladesh, Saudi Arabia and Philippines were discontinued / liquidated / under process of liquidation

C Associates

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

D Key Managerial Personnel

- a) Mr. Manoj Tirodkar, Chairman and Managing Director
- b) Mr. Sunil S. Valavalkar – Whole Time Director
- c) Mr. Vidyadhar Apte, Company Secretary
- d) Mr. Milind Bapat, Chief Financial Officer

41. 2. Related Party Disclosures - Transactions With Related Party

₹ Crores

Sr. No.	Party Name	Year	Closing Balance as on 31-Mar-2017						Payables (incl. Advance received)
			Deposit Received	Receivable towards Bank claim paid by the Company	Receivables (Gross)	Receivables towards Reimbursable cost / expense (Gross)	Advance received / Accrued Receivables	Accrued Expenses	
1	Subsidiaries								
	International Global Tele Systems Limited	31-Mar-17	NIL	221.15	NIL	4.80	NIL	NIL	NIL
		31-Mar-16	NIL	225.93	NIL	4.90	NIL	NIL	NIL
		01-Apr-15	NIL	213.40	NIL	4.63	NIL	NIL	NIL
1b	GTL International Ltd.	31-Mar-17	NIL	55.61	15.62	(0.02)	NIL	NIL	4.97
		31-Mar-16	NIL	56.65	15.96	-	NIL	NIL	5.08
		01-Apr-15	NIL	53.94	15.07	0.05	NIL	NIL	3.52
1c	Ada Cellworks Wireless Engineering Pvt. Ltd.	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	0.04
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	0.08
		01-Apr-15	NIL	NIL	NIL	NIL	NIL	NIL	0.16
2	Fellow subsidiaries (Subsidiaries of GTL International Ltd.)								
2a	GTL (Singapore) Pte Ltd	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		01-Apr-15	NIL	NIL	0.00	0.02	NIL	NIL	NIL

₹ Crores

Sr. No.	Party Name	Year	Closing Balance as on 31-Mar-2017						
			Deposit Received	Receivable towards Bank claim paid by the Company	Receivables (Gross)	Receivables towards Reimbursable cost / expense (Gross)	Advance received / Accrued Receivables	Accrued Expenses	Payables (incl. Advance received)
2b	GTL Overseas Middle East JLT.	31-Mar-17	NIL	NIL	NIL	0.40	NIL	NIL	NIL
		31-Mar-16	NIL	NIL	NIL	0.41	NIL	NIL	NIL
		01-Apr-15	NIL	NIL	NIL	0.36	NIL	NIL	NIL
2c	GTL Europe Limited	31-Mar-17	NIL	NIL	NIL	0.04	NIL	NIL	NIL
		31-Mar-16	NIL	NIL	NIL	0.04	NIL	NIL	NIL
		01-Apr-15	NIL	NIL	NIL	0.04	NIL	NIL	NIL
2d	GTL Nepal Ltd.	31-Mar-17	NIL	NIL	4.25	0.06	NIL	NIL	NIL
		31-Mar-16	NIL	NIL	4.25	0.06	NIL	NIL	NIL
		01-Apr-15	NIL	NIL	4.00	0.06	NIL	NIL	NIL
2e	iGTL Myanmar Limited	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		01-Apr-15	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Associates								
3a	GTL Infrastructure Limited	31-Mar-17	2.16	NIL	27.78	1.36	NIL	19.70	3.78
		31-Mar-16	2.16	NIL	19.63	1.60	27.25	1.32	3.81
		01-Apr-15	2.16	NIL	7.63	1.07	28.13	14.08	0.37
3b	Global Rural Netco Pvt. Ltd.	31-Mar-17	NIL	NIL	5.13	2.15	26.54	NIL	NIL
		31-Mar-16	NIL	NIL	5.13	2.20	26.54	NIL	NIL
		01-Apr-15	NIL	NIL	5.13	2.11	22.42	NIL	NIL
3c	Chennai Network Infrastructure Ltd.	31-Mar-17	NIL	NIL	2.88	NIL	NIL	35.92	27.43
		31-Mar-16	NIL	NIL	8.26	NIL	22.05	10.09	20.86
		01-Apr-15	NIL	NIL	16.99	0.01	21.65	27.40	0.52
3d	Global Holding Corporation Private Limited	31-Mar-17	NIL	NIL	NIL	0.26	NIL	NIL	NIL
		31-Mar-16	NIL	NIL	NIL	0.26	NIL	NIL	NIL
		01-Apr-15	NIL	NIL	NIL	0.25	NIL	NIL	NIL

41.2.1 The Above amounts with respect to advances & debtors are before making allowances for credit loss.

41.2.2 Claim from Global Holding Corporation Pvt. Ltd. of ₹ 179 Crores which is not acknowledged as debt is considered in "Contingent liability" and hence not shown in the above Statement.

41.2.3 Terms and conditions of transactions with related parties

The credit period towards sale to related parties are in line with other external customers. The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided to or received from any related party with respect to receivables or payables. For the year ended 31 March 2017, the Company has provided impairment loss against amount due from related parties and the impairment provision as at March 31, 2017 is ₹ 335.71 Crores (31 March 2016: ₹ 341.56 Crores, 1 April 2015: ₹ 280.22 Crores). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

41.2.4 In view of being dormant, operations of step down subsidiary in Kenya, Tanzania, Indonesia, Bangladesh, Saudi Arabia and Philippines were discontinued / liquidated / under process of liquidation

41.3 Related Party Disclosures - Transactions With Related Party

₹ Crores

Sr. No.	Party Name	Transaction during the year April 2016 to March 2017											
		Year	Sales & Services	Reimbursement Expenses from	Reimbursement Expenses to	Interest Income	Rent received	Advance received	Advance repaid	Purchase of Property, Plant and equipment	Sale of Property, Plant and equipment	Short Term Employee benefits	Post Employee benefits
1	Fellow subsidiaries (Subsidiaries of GTL International Ltd.)												
1a	GTL Overseas Middle East JLT.	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA
		31-Mar-16	NIL	0.02	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA
1b	GTL Nepal Ltd.	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA
		31-Mar-16	0.22	NIL	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA
2	Associates												
2a	GTL Infrastructure Limited	31-Mar-17	337.50	1.16	76.48	NIL	2.54	NIL	NIL	NIL	0.05	NA	NA
		31-Mar-16	352.11	2.40	115.50	NIL	2.51	NIL	NIL	0.10	0.12	NA	NA
2b	Global Rural Netco Pvt. Ltd.	31-Mar-17	NIL	0.05	0.00	NIL	0.07	NIL	NIL	NIL	NIL	NA	NA
		31-Mar-16	NIL	0.15	0.85	4.11	0.20	NIL	NIL	NIL	0.00	NA	NA
2c	Chennai Network Infrastructure Ltd.	31-Mar-17	286.49	0.11	113.07	NIL	NIL	20.00	20.00	NIL	NIL	NA	NA
		31-Mar-16	289.15	0.09	183.94	NIL	0.01	NIL	NIL	NIL	NIL	NA	NA
3	Key Managerial Personnel												
3a	Mr. Manoj Tirotkar	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.59	0.03
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.43	0.02
3b	Mr. Sunil S. Valavalkar	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.14	0.01
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.14	0.01
3c	Mr. Vidyadhar Apte	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1.05	0.02
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.72	0.02
3d	Mr. Milind Bapat	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1.02	0.02
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.72	0.02

41.3.1 The sales to and purchases from related parties are made on terms equivalent to those that prevail for arm's length transactions.

41.3.2 The amounts disclosed in the table related to key management personnel are the amounts recognised as an expense during the reporting period.

41.3.3 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

42. FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments

₹ Crores

Particulars	Carrying value			Fair value		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Financial assets						
FVTPL financial investments						
Investment in Preference Shares - Subsidiaries						
GTL International Ltd	-	-	31.23	32.37	33.07	31.23
International Global Tele-Systems Ltd	-	-	430.97	446.65	456.33	430.97
Investment in Preference Shares - Associates						
Global Rural Netco Ltd.	-	-	200.00	200.00	200.00	200.00
Investment in Preference Shares - Others						
European Projects and Aviation Ltd	-	-	111.65	111.65	111.65	111.65
Global Proserv Ltd	-	-	100.24	100.24	100.24	100.24

₹ Crores

Particulars	Carrying value			Fair value		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Investment in Debentures - Associates						
Global Rural Netco Ltd	-	-	150.00	150.00	150.00	150.00
Investment in units of Mutual Funds (refer note 42.1)	NA	NA	21.61	NA	NA	21.61
Investment in Equity Shares - Subsidiaries						
GTL International Ltd	-	-	11.96	-	-	11.96
International Global Tele-Systems Ltd	-	-	9.59	-	-	9.59
Ada Cellworks Wireless Engineering Pvt. Ltd.	1.64	1.64	13.46	1.64	1.64	13.46
Investment in Equity Shares - Associates						
GTL Infrastructure Ltd.	484.07	591.55	591.55	484.07	591.55	591.55
Chennai Network Infrastructure Ltd.	1,637.48	1,637.48	1,637.48	1,637.48	1,637.48	1,637.48
Global Rural Netco Ltd.	-	-	30.00	-	-	30.00
Investment in Equity Shares - Others						
European Projects and Aviation Ltd	-	-	53.81	-	-	53.81
Financial assets designated at amortised cost						
Non-current assets (refer note 42.2)						
Loans	7.41	7.41	7.66	7.41	7.41	7.66
Other	535.67	553.83	1,094.29	535.67	553.83	1,094.29
Current assets (refer note 42.2)						
Trade receivables	125.24	138.48	224.29	125.24	138.48	224.29
Cash and cash equivalents	95.17	66.81	54.07	95.17	66.81	54.07
Bank balance other than included in Cash and cash equivalents above	6.12	12.75	19.27	6.12	12.75	19.27
Loans	14.17	10.86	0.25	14.17	10.86	0.25
Other	273.62	255.20	335.94	273.62	255.20	335.94
Total	3,180.59	3,276.01	5,129.32	4,221.50	4,327.30	5,129.32
Financial liabilities designated at amortised cost						
Borrowings						
Fixed rate borrowings (refer note 42.3 & 42.4)	5,913.31	5,626.67	5,264.58	5,749.70	5,493.43	5,167.20
0.01% Non-Participating Optionally Convertible Cumulative Preference Shares (OCPS) (refer note 42.3)	127.08	114.39	102.93	128.72	115.73	103.80
Trade payables (refer note 42.2)	143.29	124.41	103.32	143.29	124.41	103.32
Other Financial Liabilities (refer note 42.2)	805.72	668.41	579.08	805.72	668.41	579.08
Total	6,989.40	6,533.88	6,049.91	6,827.42	6,401.98	5,953.40

42.1 The fair values of Investment in mutual funds are based on NAVs available at the reporting date. The fair values of unquoted investments in preference shares / Debentures are valued by discounting future cash inflows using rates currently available for debt on similar terms, credit risk and remaining maturities.

- 42.2 The management assessed that trade receivables cash and bank balances, loans, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 42.3 The fair values of the Company's fixed interest-bearing borrowings and loans is determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2017 was assessed to be insignificant as borrowing are fixed interest bearings
- 42.4 The fair values of embedded derivatives in the financial instruments like CDR Loans is determined by using DCF method using WACC as at the end of the reporting period. Long-term growth rate for cash flows for subsequent years have also been given due weightage. The fair value of derivatives is assessed to be nil hence the quantitative information is not disclosed.

43. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:			
FVTPL financial investments (Note 42):			
Investment in Preference Shares - Subsidiaries			
GTL International Ltd			NIL
International Global Tele-Systems Ltd			NIL
Investment in Preference Shares - Associates			
Global Rural Netco Ltd.			NIL
Investment in Preference Shares - Others			
European Projects and Aviation Ltd			NIL
Global Proserv Ltd			NIL
Investment in Debentures - Associates			
Global Rural Netco Ltd			NIL
Investment in units of Mutual Funds	NA		
Investment in Equity Shares - Subsidiaries			
GTL International Ltd			-
International Global Tele-Systems Ltd			-
Ada Cellworks Wireless Engineering Pvt. Ltd.			1.64
Investment in Equity Shares - Associates			
GTL Infrastructure Ltd.		484.07	
Chennai Network Infrastructure Ltd.			1,637.48
Global Rural Netco Ltd.			-
Investment in Equity Shares - Others			
European Projects and Aviation Ltd			-
Assets for which fair values are disclosed :			
Investment properties (Refer note 4.3)			
Office properties		40.55	

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Liabilities for which fair values are disclosed (Note (Note 42):			
Borrowings (Note 42):			
Fixed Interest bearing Loans		5,749.70	
Convertible preference shares		128.72	

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:			
FVTPL financial investments (Note 42):			
Investment in Preference Shares - Subsidiaries			
GTL International Ltd			NIL
International Global Tele-Systems Ltd			NIL
Investment in Preference Shares - Associates			
Global Rural Netco Ltd.			NIL
Investment in Preference Shares - Others			
European Projects and Aviation Ltd			NIL
Global Proserv Ltd			NIL
Investment in Debentures - Associates			
Global Rural Netco Ltd			NIL
Investment in units of Mutual Funds	NA		
Investment in Equity Shares - Subsidiaries			
GTL International Ltd			-
International Global Tele-Systems Ltd			-
Ada Cellworks Wireless Engineering Pvt. Ltd.			1.64
Investment in Equity Shares - Associates			
GTL Infrastructure Ltd.		591.55	
Chennai Network Infrastructure Ltd.			1,637.48
Global Rural Netco Ltd.			-
Investment in Equity Shares - Others			
European Projects and Aviation Ltd			-
Assets for which fair values are disclosed :			
Investment properties (Refer note 4.3)			
Office properties		38.66	

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2016:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Liabilities for which fair values are disclosed (Note 42):			
Borrowings (Note 42):			
Fixed Interest bearing Loans		5,493.43	
Convertible preference shares		115.73	

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2015:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:			
FVTPL financial investments (Note 42):			
Investment in Preference Shares - Subsidiaries			
GTL International Ltd			31.23
International Global Tele-Systems Ltd			430.97
Investment in Preference Shares - Associates			
Global Rural Netco Ltd.			200.00
Investment in Preference Shares - Others			
European Projects and Aviation Ltd			111.65
Global Proserv Ltd			100.24
Investment in Debentures - Associates			
Global Rural Netco Ltd			150.00
Investment in units of Mutual Funds	21.61		
Investment in Equity Shares - Subsidiaries			
GTL International Ltd			11.96
International Global Tele-Systems Ltd			9.59
Ada Cellworks Wireless Engineering Pvt. Ltd.			13.46
Investment in Equity Shares - Associates			
GTL Infrastructure Ltd.		591.55	
Chennai Network Infrastructure Ltd.			1,637.48
Global Rural Netco Ltd.			30.00
Investment in Equity Shares - Others			
European Projects and Aviation Ltd			53.81
Assets for which fair values are disclosed :			
Investment properties (Refer note 4.3)			
Office properties		36.17	

Quantitative disclosures fair value measurement hierarchy for liabilities as at 1 April 2015:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Liabilities for which fair values are disclosed (Note 42):			
Borrowings (Note 42):			
Fixed Interest bearing Loans		5,167.20	
Convertible preference shares		103.80	

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finance for the Company's operations. The Company's principal financial assets includes investments, trade and other receivables, supplier advance and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by Risk Management Group (RMG), Investment committee and Resource committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Group, Investment committee and Resource committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Audit Committee of the Board and the Board of Directors review and monitor risk management and mitigation plans. The financial risks are summarised below.

44.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and deposits. As the revenues from the Company's network service business is dependent on the sustainability of telecom sector, Company believes that Macro - economic factor, including the growth of Indian economy as well as political and economic environment, have a significant direct impact on the Company's business, results of operations and financial position.

44.2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of financial instrument will fluctuate because of changes in market interest rates. The significant part of financial instrument which can be considered in case of the Company as subject to interest rate risk are borrowings. However the Company's borrowings carry fixed interest rate and therefore the Company is not exposed to significant interest rate risk.

44.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the External Commercial Borrowings and except for the the same, the Company is not exposed to foreign currency risk as the Company's business operations do not involve any significant transactions in foreign currency. Foreign currency risk is managed by effective foreign risk management policy based on risk perception of the management.

Foreign currency sensitivity

The impact on the Company's loss before tax on account of variation in exchange rates can be on account of fluctuation in USD as the Company's External Commercial borrowings liability is USD denominated liability. The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. 1% increase or decrease in USD rate will have the following impact on loss before tax :

₹ Crores

Particulars	2016-17		2015-16	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD Denominated monetary liabilities	8.90	(8.90)	8.73	(8.73)

44.4 Equity price risk

The Company's equity investment in one of its associates is listed and all other investments are in unlisted entities. All the investments of the Company are trade and strategic investments and therefore are not considered to be exposed or susceptible to market risk.

44.5 Commodity price risk

The Company is engaged in business of providing "Network Services" comprising mainly of Operation maintenance and energy management (OME) and other network services. In OME the major component of cost are electricity and Fuel. The variation in the price of electricity and fuel is index based i.e. additionally charged to customer. With regards to other services the contracts are cost plus margin and therefore commodity price risk is mitigated

44.6 Credit risk

Credit risk is the risk that counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and defined in accordance with customer assessment. Outstanding customer receivables are regularly monitored.

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances. Individual trade receivables are written off when management deems them not to be collectible. The Company does not hold any collateral as security against these trade receivables. The contractually agreed terms effectively manage the concentration risk.

Financial assets and bank deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which its balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as appearing in Note 8,12,13,14,15,16 and 19.

44.7 Liquidity risk

Liquidity risk is that the Company will not be able to settle or meet its obligation on time or at reasonable price. Company's principal sources of liquidity are cash flows generated from its operations.

The Company continues to take various measures such as cost optimisation, improving operating efficiency to increase Company's operating results and cash flows. Further the Company has made a proposal for a negotiated settlement of debts which has been agreed in principle by all set of lenders. The management is of the view that upon the implementation of the Company's negotiated settlement proposal, the Company would be in a position to meet its liabilities and continue its operations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ Crores

Particulars	On demand	More than 1 year	Total
Year ended 31/3/2017			
Convertible preference shares	NIL	650.00	650.00
Other financial liabilities	6,721.83	NIL	6,721.83
Trade and other payables	143.29	NIL	143.29
	6,865.12	650.00	7,515.12

₹ Crores

Particulars	On demand	More than 1 year	Total
Year ended 31/3/2016			
Convertible preference shares	NIL	650.00	650.00
Other financial liabilities	6,305.89	NIL	6,305.89
Trade and other payables	124.41	NIL	124.41
	6,430.30	650.00	7,080.30

₹ Crores

Particulars	On demand	More than 1 year	Total
As at 01/04/2015			
Convertible preference shares	NIL	650.00	650.00
Other financial liabilities	5,871.12	NIL	5,871.12
Trade and other payables	103.32	NIL	103.32
	5,974.44	650.00	6,624.44

45. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, Securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard continuity of the business operations.

In view of slow down in telecom industry in last few years, the Company's business received a set back which resulted in incurrence of huge losses and adversely impacting the capital of the Company. The Company therefore for effective capital management has submitted a proposal for negotiated settlement of debts and the same has been agreed in principle by all set lenders. On implementation of Company's proposal for negotiated settlement, there will be substantial improvement in capital structure of the Company.

Calculation of Capital Gearing ratio:

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Equity Capital	157.30	157.30	157.30
Reserves	(4,612.82)	(3,982.52)	(1,569.02)
	(4,455.52)	(3,825.22)	(1,411.72)
Borrowings*	5,162.88	5,158.91	5,062.17
Liability component of compound financial instrument	127.08	114.39	102.93
	5,289.96	5,273.30	5,165.10
Capital Gearing ratio	(0.84)	(0.73)	(0.27)
Capital Gearing ratio %	(84.23)	(72.54)	(27.33)

* Fixed cost bearing funds have been included in calculation of the borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

46. FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2017, are the first financial statements of the Company prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 as adopted consistently by the Company.

The Company has prepared financial statements which comply with Ind AS applicable for year ended on 31 March 2017, together with the comparative yearly data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Optional exemptions applied:***Investment in subsidiaries and associates:***

Ind AS 101 allows a first time adopter to account for its equity investments in subsidiaries and associates either at cost or in accordance with Ind AS 109. Accordingly, the Company has elected to account for the said investments in subsidiaries and associates at cost

Deemed cost of Property, Plant and Equipment, Intangible Assets and Investment Property:

Ind AS 101 allows a first time adopter to continue with the previous GAAP carrying value for all its Property, Plant and Equipment, Intangible Assets and Investment Property as recognised in its previous GAAP financials on the date of transition. Accordingly, the Company has opted for this exemption and decided to carry its PPE, Intangible assets and Investment Property at Carrying value as per Indian GAAP on the date of transition i.e. 1 April, 2015.

Non-current assets held for sale and discontinued operations:

Ind AS 101 allows a first time adopter to measure such assets or operations at the lower of carrying value and fair value less cost to sell at the date of transition to Ind ASs in accordance with Ind AS 105, and recognise directly in retained earnings any difference between that amount and the carrying amount of those assets at the date of transition to Ind ASs determined under the entity's previous GAAP. Accordingly, the Company has opted for this exemption and decided to carry such assets or operations at the lower of carrying value and fair value less cost to sell on the date of transition i.e. 1 April, 2015.

Mandatory exceptions applied:***Derecognition of financial assets and financial liabilities:***

A first-time adopter should apply the derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition. A first-time adopter that wants to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the transition date.

Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

₹ Crores				
Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1	235.80		235.80
Capital work-in-progress		0.59		0.59
Investment properties	1	3.28		3.28
Other Intangible assets		1.07		1.07
Financial assets				
Investments	2	3,594.78	(222.84)	3,371.94
Loans		7.66		7.66
Others		1,094.29		1,094.29
Other non-current assets		0.08		0.08
		4,937.55	(222.84)	4,714.71
Current assets				
Inventories		5.63		5.63
Financial assets				
Investments	3	20.81	0.80	21.61
Loans		0.25		0.25
Trade receivables		224.29		224.29
Cash and cash equivalents		54.07		54.07
Bank balances other than above		19.27		19.27
Others		444.34	(108.40)	335.94
Assets held for Sale and Discontinued Operations (Net)		43.83		43.83
Current Tax Assets (Net)		8.28		8.28
Other current assets		31.34		31.34
		852.11	(107.60)	744.51
Total assets		5,789.66	(330.44)	5,459.22
Equity and liabilities				
Equity				
Equity share capital		157.30		157.30
Other equity	2,3,5,6,7	(780.79)	(588.44)	(1,369.23)
Equity component of convertible preference shares	5		570.92	570.92
Total equity		(623.49)	(17.52)	(641.01)

₹ Crores

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Non-current liabilities				
Financial liabilities				
Borrowings	5	650.00	(547.07)	102.93
Long term provisions		1.32		1.32
		651.32	(547.07)	104.25
Current liabilities				
Financial liabilities				
Trade payables		103.32		103.32
Other current financial liabilities	6,7	5,609.51	234.15	5,843.66
Other current liabilities		48.38		48.38
Provisions		0.62		0.62
		5,761.83	234.15	5,995.98
Total liabilities		6,413.15	(312.92)	6,100.23
Total equity and liabilities		5,789.66	(330.44)	5,459.22

Reconciliation of equity as at 31 March 2016

₹ Crores

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1	139.58		139.58
Capital work-in-progress		0.23		0.23
Investment properties	1	3.23		3.23
Other Intangible assets		0.80		0.80
Financial assets				
Investments		2,230.67	-	2,230.67
Loans		7.41		7.41
Others		553.83		553.83
Other non-current assets		0.07		0.07
		2,935.82	-	2,935.82
Current assets				
Inventories		NIL		NIL
Financial assets				
Investments		NIL		NIL
Loans		10.86		10.86
Trade receivables		138.48		138.48
Cash and cash equivalents		66.81		66.81
Bank balances other than above		12.75		12.75
Others		498.43	(243.24)	255.19
Assets held for Sale and Discontinued Operations (Net)		43.83		43.83
Current Tax Assets (Net)		14.18		14.18
Other current assets		49.92		49.92
		835.26	(243.24)	592.02
Total assets		3,771.08	(243.24)	3,527.84
Equity and liabilities				
Equity				
Equity share capital		157.30		157.30
Other equity	5,6,7	(3,388.23)	(394.50)	(3,782.73)
Equity component of convertible preference shares	5		570.92	570.92
Total equity		(3,230.93)	176.42	(3,054.51)

₹ Crores

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Non-current liabilities				
Financial liabilities				
Borrowings	5	650.00	(535.61)	114.39
Long term provisions		1.12		1.12
		651.12	(535.61)	115.51
Current liabilities				
Financial liabilities				
Trade payables		124.41		124.41
Other current financial liabilities	6,7	6,179.13	115.95	6,295.08
Other current liabilities		47.31		47.31
Provisions		0.04		0.04
		6,350.89	115.95	6,466.84
Total liabilities		7,002.01	(419.66)	6,582.35
Total equity and liabilities		3,771.08	(243.24)	3,527.84

Reconciliation of profit or loss for the year ended 31 March 2016

₹ Crores

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Continuing operations				
Revenue from operations		1,240.36		1,240.36
Other income	3	40.93	(0.79)	40.14
Total Income		1,281.29	(0.79)	1,280.50
Cost of Services rendered		950.30		950.30
Changes in inventories of finished goods, stock-in-trade and work-in-progress		3.30		3.30
Employee benefits expense	4	133.11	(0.06)	133.05
Depreciation and amortization expense		98.48		98.48
Finance costs	5, 6	531.68	28.12	559.80
Other expenses		184.87		184.87
Total expense		1,901.74	28.06	1,929.80
Loss before exceptional items and tax from continuing operations		(620.45)	(28.85)	(649.30)
Less : Exceptional Items		(1,947.25)	222.84	(1,724.41)
Loss before tax from continuing operations		(2,567.70)	193.98	(2,373.71)
Tax expenses				
Current tax		NIL	NIL	NIL
Adjustment of tax relating to earlier periods		NIL	NIL	NIL
Loss For The Year From Continuing Operations		(2,567.70)	193.98	(2,373.71)
Discontinued Operations				
Profit/(loss) after tax for the year from discontinued operations		(39.74)		(39.74)
Tax expenses		NIL	NIL	NIL
Loss for the year from discontinued operations		(39.74)	-	(39.74)
Loss for the year		(2,607.44)	193.98	(2,413.45)

₹ Crores

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss		NIL	(0.05)	(0.05)
(ii) Income tax relating to items that will not be reclassified to profit or loss		NIL	NIL	NIL
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		NIL	(0.05)	(0.05)
B (i) Items that will be reclassified to profit or loss		NIL	NIL	NIL
(ii) Income tax relating to items that will be reclassified to profit or loss		NIL	NIL	NIL
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		NIL	NIL	NIL
Other comprehensive income for the year, net of tax		NIL	(0.05)	(0.05)
Total Comprehensive Income for the period, net of tax		(2,607.44)	193.93	(2,413.50)

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016

1. Property, plant and equipment

Leasehold and freehold Lands having unidentified usage is evaluated under Ind AS 40 and classified as Investment Property at the date of transition to Ind AS. This has resulted into a decrease of ₹ 3.28 Crores (31 March 2016: ₹ 3.23 Crores) in property, plant and equipment and a corresponding increase in Investment property at the date of transition to Ind AS.

2. Fair value through profit and loss ("FVTPL") financial assets:

Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares of entities other than subsidiaries/associates, fully convertible debentures and preference shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has classified such investments as FVTPL investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised against retained earnings. As a result, on the date of transition to Ind AS, a decrease of ₹ 222.84 Crores was recognised in Investments with a corresponding impact on retained earnings.

3. Investment in mutual funds:

Under Indian GAAP, the Company accounted for current investments in Mutual funds at lower of cost and fair value determined on an individual investment basis. Under Ind AS, the Company has classified such investments as FVTPL investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised against retained earnings. As a result, on the date of transition to Ind AS, an increase of ₹ 0.80 Crores was recognised in Current Investments with a corresponding impact on retained earnings.

4. Remeasurements of post-employment benefit obligations:

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under Indian GAAP, these remeasurements were forming part of the profit or loss for the year. As a result, the loss for the year ended 31 March 2016 decreased by ₹ 0.05 Crores. There is no impact on the total equity as at 31 March 2016.

5. Convertible preference shares

The Company has issued optionally convertible preference shares ("OCPS"). OCPS are classified as compound financial instrument under Ind AS.

Under Ind AS, convertible preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Thus the preference share capital is reduced by ₹ 547.07 Crores (31 March 2016 ₹ 535.61 Crores) with a corresponding increase in borrowings as liability component.

Liability component is adjusted due to the difference of finance charges on the basis of effective interest rate and coupon rate. Accordingly, compound financial instrument as at 1 April 2015 have been reduced by ₹ 570.92 crores with corresponding adjustment to retained earnings. The loss for the year ended 31 March 2016 increased by ₹ 11.46 Crores as a result of the realignment of interest expense.

6. Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. Further the borrowings under CDR are fair valued on the date of restructuring and the same was considered for the purpose of amortised cost. Accordingly, borrowings under CDR as at 1 April 2015 have been reduced by ₹ 27.45 Crores with corresponding adjustment to retained earnings. The loss for the year ended 31 March 2016 increased by ₹ 16.66 Crores as a result of the realignment of interest expense.

7. Financial guarantee

The company has issued the financial guarantee on behalf of one of the affiliates. The company has recognised financial guarantee obligation at fair value amounting to ₹ 370 Crores as at the date of transition and as the fair value of the corresponding investment in affiliate is ₹ Nil, the same is adjusted to retained earnings.

8. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

9. Statement of cash flows

The Ind AS impacts are either Non-cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2016 as compared with the previous GAAP.

47. DEFERRED TAX

Deferred tax liabilities / (Assets) of the following

	₹ Crores		
Particulars	31 March 2017	31 March 2016	1 April 2015
Relating to			
Property, Plant and Equipment	(25.30)	(19.81)	(0.05)
Other Intangible Assets	(0.81)	(1.13)	(1.51)
Financial Asset - Others	(219.82)	(216.03)	(44.26)
Disallowance Under Section 43B of the Income Tax Act, 1961	(338.15)	(247.47)	(159.87)
Provision for doubtful debts	(59.96)	(48.55)	(23.64)
Unabsorbed Depreciation	(145.51)	(125.15)	(111.01)
	(789.55)	(658.14)	(340.34)

47.1 The Company has a Deferred Tax Asset of ₹ 789.55 Crores as on March 31, 2017 (₹ 658.14 Crores and ₹ 340.34 Crores as on March 31, 2016 and March 31, 2015 respectively). The same has not been recognised in the financial statement in the absence of probable taxable profits against which the same can be utilised.

47.2 Amount and expiry date of unused tax losses which are not considered in deferred tax assets disclosed above

Assessment Year (AY)	Unused tax Loss ₹ Crores	Carried Forward Till AY
2012-13	104.75	2020-21
2013-14	87.81	2021-22
2014-15	408.80	2022-23
2015-16	194.04	2023-24
2016-17	141.28	2024-25
2017-18	191.03	2025-26
Total	1,127.71	

From last few years the Company is incurring losses and doesn't expect sufficient future taxable income in the near future against which the unused business losses can be utilised and therefore the Company has not considered the same for working of unrecognised DTA disclosed above .

48. GOING CONCERN

In last few years, the Company has incurred cash losses, resulting in erosion of its entire net worth. The Company's current liabilities are higher than its current assets. As reported earlier, the winding-up petitions filed against the Company are currently sub-judice.

The Company has made a proposal for a negotiated settlement of debts which has been agreed in principle by all the lenders. Pending implementation of negotiated settlement, the Company continues to recognize interest obligations on borrowing under negotiated settlement. As a part of settlement, the Company expects substantial waiver of its interest obligation. The management is of the view that upon the implementation of the Company's negotiated settlement proposal, the Company would be in a position to meet its liabilities and continue its operations. In view of the above, the Company continues to prepare its accounts on Going Concern basis.

49. DISCLOSURE OF INFORMATION AS REQUIRED BY REGULATION 34(3) OF LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS

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

₹ Crores

Name of the Company	Relationship	Outstanding As at March 31,			Maximum balance during the year		
		2017	2016	2015	2017	2016	2015
GTL International Bangladesh Pvt. Ltd.	100% subsidiary of GTL Europe Limited	10.46	10.54	10.35	10.66	10.65	10.38
GTL International Limited	100% subsidiary of GTL Limited	55.61	56.65	53.94	58.44	58.34	54.48
International Global Tele-Systems Limited	100% subsidiary of GTL Limited	221.15	225.93	213.4	234.17	233.72	215.93

Note: a) Increase in outstanding amount and maximum balance during the respective years is on account of exchange variation. The Company has made full provision for impairment against the said advances during the FY 2015-2016.

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

50. DETAILS OF ROUNDED OFF AMOUNTS

The financial statements are presented in ₹ in Crores. 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 Crore are as follows

Note

₹

Description	As at		
	31-Mar-17	31-Mar-16	1-Apr-15
Reserves and Surplus - Capital Reserve	7,725	7,725	7,725
Loans to employees	46,077	NIL	NIL
Interest cost (Refer note 39.b.3)	(38,041)	NIL	NIL

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

52. Figures in brackets relate to the previous year unless otherwise stated.

As per our report of even date

For **M/s. Godbole Bhawe and Co.**

Chartered Accountants

FRN No.114445W

M.V. Bhawe

Partner

M.No. 38812

Mumbai, April 27,2017

For M/s. **Yeolekar and Associates**

Chartered Accountants

FRN No. 102489W

S.S.Yeolekar

Partner

M.No. 36398

For and on behalf of the Board

Manoj G. Tirodkar

Chairman and Managing Director

Sunil S. Valavalkar

Whole Time Director

Milind Bapat

Chief Financial Officer

Vijay Vij

Director

Vidyadhar Apte

Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO

THE MEMBERS OF GTL LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of GTL LIMITED (hereinafter referred to as "the Parent Company"), and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, as applicable.

The respective Board of Directors of the Companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its 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 Consolidated Ind AS 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 these consolidated Ind AS financial statements by the Board of Directors of the Parent Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 of consolidated Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and deemed to be prescribed 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and by the other auditor in terms of their report referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, on the financial statements of a subsidiary and associates referred to in the other matters paragraph below, the aforesaid consolidated Ind AS 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 associates as at 31st March, 2017 and their consolidated loss including total comprehensive income, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw your attention to the Note No. 50 to the consolidated Ind AS financial statements which inter-alia

describes/states 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 31st March, 2017.

Moreover as stated in Note No 26.5 the uncertainty related to the outcome of the winding up petition filed against the Parent Company by the holders of Non Convertible Debentures issued by the Parent Company and as stated in Note No 42.C.2 the winding up proceedings initiated against the Parent Company and its associate Global Rural Netco Ltd (GRNL) by the Optionally Convertible Loan(OCL) holders of an GRNL wherein the Parent Company had given the put option, still prevails.

The above conditions 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.

Our opinion is not modified in respect of the above said matter.

Other Matters

- (a) As at 31st March, 2017, in respect of Parent Company's outstanding Term Loan and Cash Credit balances aggregating Rs. 174.82 Crores and interest accrued and provided thereon of Rs. 53.15 Crores due to Catholic Syrian Bank, SIDBI and Standard Chartered Bank, the Balance Confirmations have not been received. The Balance Confirmation in respect of Parent Company's current account balance with Punjab National Bank of Rs.0.70 Crores has not been received. Further in case of Parent Company's current account balance with Standard Chartered Bank of Rs. 4.73 Crores the balance is subject to reconciliation.
- (b) i. The consolidated Ind AS financial statements include the following entities:
 - A. Subsidiaries
 - a. International Global Telesystems Ltd.
 - b. GTL International Ltd. and its subsidiaries
 - c. Ada Cellworks Wireless Engineering Pvt. Ltd.
 - B. Associate
 - a. Global Rural Netco Ltd. (GRNL)
 - b. GTL Infrastructure Ltd (GIL)
 - c. Chennai Network Infrastructure Ltd (CNIL)
- ii. We did not audit the financial statements of the above subsidiaries included in the consolidated

Ind AS financial statements whose financial statements reflect total assets of Rs. 539.85 Crores as at 31st March, 2017 and total revenue of Rs.415.15 Crores for the year ended on that date.

- iii. The financial statements of the subsidiary – Ada Cellworks Wireless Engineering Pvt. Ltd. has been audited by the other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of such other auditor.
- iv. The financial statements of International Global Telesystems Ltd. and Consolidated financial statements of GTL International Ltd. furnished by the Management of the Parent Company are unaudited and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements.
- v. The Consolidated Ind AS financial statements include the Parent Company's share of net loss of Rs. 281.40 crores for the year ended 31st March, 2017, in respect of the associates and whose financial statements have not been audited by us.

The consolidated financial statements of GIL for the year ended 31 March 2017 have been audited by the other auditor and for the year ended 31 March 2016 are unaudited. The Financial statements of CNIL have been audited by the other auditor. The financial statements of GRNL are unaudited. The management of Parent Company where the accounts of the associates are audited by the other auditors has furnished us such audited statements of accounts and in case where the accounts of the associates are unaudited has furnished us financial statements certified by management of such associates. Our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of the these associate is based solely on the report of the other auditors, where the accounts are audited and is based solely on such management certified unaudited financial statements, where the financial statements are unaudited.

Our opinion on the Consolidated Ind AS 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 auditors and the financial statements/ consolidated financial statements certified by the Management as stated in (b) above.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act based on the comments in the auditors' report of a subsidiary and associate companies incorporated in India, 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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) In our opinion, the going concern matter and outcome of winding up petition filed against the Parent Company by the Holders of Non Convertible Debentures issued by the Parent Company and the winding up proceedings initiated against the Parent Company and its associate Global Rural Netco Ltd (GRNL) by the Optionally Convertible Loan (OCL) holders of GRNL wherein the Parent Company had given the put option as described in paragraph under Emphasis of matters above, may have an adverse effect on the functioning of the Group.
- (f) On the basis of management representation and on the basis of the legal opinion obtained by the Parent 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 the written representations received from

the directors of the Parent Company as on 31st March, 2017, and taken on record by the Board of Directors of the Parent Company and on the basis of reports of statutory auditors of its subsidiary/associate companies incorporated in India, none of the directors of these entities is disqualified as on 31st March, 2017 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 of the Parent Company.

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on auditors' report of the Parent Company, a subsidiary and associate companies.
- (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 Auditor's) Rules, 2014 read with Notification No G.S.R 307(E) dated 30.03.2017, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate. Refer Note 42.C.1 and 42.C.2 to the Consolidated Ind As financial statements.
 - ii. The Group 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 Parent Company and its subsidiary/associate companies incorporated in India. We have been informed that in case of the Parent Company's associate incorporated in India whose unaudited accounts are provided to us, there were no amounts which were required to be transferred

to the Investor Education and Protection Fund. Unpaid dividend of the Parent Company of Rs. 0.19 crores pertaining to the years 2000-01, 2001-02 and 2003-04 to 2008-09 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.

- iv. The Consolidated Ind AS Financial Statements provide the requisite disclosures as regards to holdings and dealings in Specified Bank Notes as defined in the Notification S.O 3407(E) dated November 08, 2016 of the Ministry of Finance, during the period

from November 08, 2016 to December 30, 2016 of the Parent Company and a subsidiary company incorporated in India. Based on audit procedure performed and the representation provided by the Management of the Parent Company we report that the disclosures of the Parent Company are in accordance with the books of account maintained by the Parent Company and as produced to us by the management of the Parent Company. The above required disclosures so far as they relate to a subsidiary company, which is incorporated in India are solely based on the report of other auditor. (refer to Note No 14.1 of Consolidated Ind AS Financial Statements).

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

M. V. Bhawe
Partner
Membership No. 038812

Place: Mumbai
Date: 27th April, 2017

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

S. S. Yeolekar
Partner
Membership No. 036398

ANNEXURE “A”

TO THE INDEPENDENT AUDITORS’ REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS OF GTL LIMITED

(Referred to in paragraph 1 (g) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of GTL Limited on the consolidated Ind AS financial statements for the year ended 31st March, 2017)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of GTL Limited (hereinafter referred to as “the Parent Company”) and its subsidiary company and two associate companies (the Parent Company and its subsidiary/associate companies together referred to as “the Group”) which are companies incorporated in India, as of that date.

In respect of an associate company incorporated in India, which has been included in consolidated financial statements based on unaudited financial statement of such associate provided to us by the management of the Parent Company and hence no report on internal financial controls over financial reporting under section 143 (3) (i) of the Act is available, and accordingly the possible effects of the same on our reporting on internal financial controls over financial reporting have not been considered.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Parent company and its subsidiary/associate companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of their assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations

of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on

the consideration of the reports of the other auditors as referred to in the Other Matters paragraph, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2017, based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company and two associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

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

M. V. Bhave
Partner
Membership No. 038812

Place: Mumbai
Date: 27th April, 2017

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

S. S. Yeolekar
Partner
Membership No. 036398

Consolidated Balance Sheet as at March 31, 2017

₹ Crores				
Particulars	Notes	As at 31 March 2017	As at 31 March 2016 Restated*	As at 1 April 2015
Assets				
Non-current assets				
Property, plant and equipment	3	91.13	140.13	244.56
Capital work-in-progress	3	NIL	0.23	64.30
Investment properties	4	3.17	3.23	3.28
Intangible assets	5	0.75	0.83	1.09
Financial assets				
Investments	6	416.13	697.53	1,539.52
Loans	7	7.45	10.32	7.67
Other	8	643.99	730.81	1,534.93
Deferred tax assets (net)	9	2.26	0.07	19.44
Other non-current assets	10	0.07	0.07	0.08
		<u>1,164.95</u>	<u>1,583.22</u>	<u>3,414.87</u>
Current assets				
Inventories	11	15.41	10.92	98.26
Financial assets				
Investments	12	NIL	NIL	21.61
Trade receivables	13	196.49	212.44	550.83
Cash and cash equivalents	14	110.41	91.46	109.90
Bank balance other than included in Cash and cash equivalents above	15	21.20	27.40	29.44
Loans	16	33.21	11.11	7.77
Other	17	322.20	352.00	444.37
Assets held for Sale and Discontinued Operations	18	NIL	43.83	43.83
Current Tax Assets (Net)	19	27.28	15.19	9.29
Other current assets	20	47.64	59.40	39.32
		<u>773.84</u>	<u>823.75</u>	<u>1,354.62</u>
Total Assets		<u>1,938.79</u>	<u>2,406.97</u>	<u>4,769.49</u>
Equity and liabilities				
Equity				
Equity Share Capital	21	157.30	157.30	157.30
Other Equity		(6,125.84)	(5,160.14)	(2,274.87)
Total Equity		<u>(5,968.54)</u>	<u>(5,002.84)</u>	<u>(2,117.57)</u>
Non-controlling interests		0.17	0.31	(0.22)
Non-current liabilities:				
Financial liabilities				
Borrowings	22	127.08	114.39	102.93
Provisions	23	0.80	6.39	5.96
		<u>127.88</u>	<u>120.78</u>	<u>108.89</u>
Current liabilities:				
Financial liabilities				
Borrowings	24	13.77	7.37	16.59
Trade payables	25	219.74	198.19	202.73
Other financial liabilities	26	7,501.50	7,033.15	6,506.12
Other current liabilities	27	40.80	49.97	52.34
Provisions	28	0.08	0.04	0.61
Current Tax Liabilities (Net)		3.39	NIL	NIL
		<u>7,779.28</u>	<u>7,288.72</u>	<u>6,778.39</u>
Total liabilities		<u>7,907.16</u>	<u>7,409.50</u>	<u>6,887.28</u>
Total equity and liabilities		<u>1,938.79</u>	<u>2,406.97</u>	<u>4,769.49</u>

The accompanying notes form an integral part of the consolidated financial Statement

* The amounts for the Financial year 2015-16 which do not correspond to those reported in 2016 financial statements are on account of adjustments required by transition to Ind AS. For details of the same, refer to Note 48.

As per our report of even date

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

M.V. Bhawe
Partner
M.No. 38812
Mumbai, April 27,2017

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

S.S.Yeolekar
Partner
M.No. 36398

For and on behalf of the Board

Manoj G. Tirodkar
Chairman and Managing Director

Sunil S. Valavalkar
Whole Time Director

Milind Bapat
Chief Financial Officer

Vijay Vij
Director

Vidyadhar Apte
Company Secretary

Statement of Consolidated Profit and Loss for the year ended March 31, 2017

₹ Crores (unless otherwise stated)			
Particulars	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016 Restated*
Continuing operations			
Revenue from operations	29	1,636.26	1,683.19
Other income	30	37.42	39.80
TOTAL INCOME		1,673.68	1,722.99
EXPENSES			
Cost of Purchases / Services rendered	31	1,190.06	1,276.21
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(4.49)	85.01
Employee benefits expenses	33	199.17	220.51
Finance costs	34	605.69	609.52
Depreciation and amortisation expenses	35	50.00	100.85
Other expenses	36	339.63	493.58
TOTAL EXPENSES		2,380.06	2,785.68
Loss before exceptional items and tax from continuing operations		(706.38)	(1,062.69)
Exceptional items	37	NIL	(1,587.90)
Loss before tax from continuing operations		(706.38)	(2,650.59)
Tax expenses			
Current tax		(10.14)	(10.78)
Adjustment of tax relating to earlier periods		5.33	NIL
Deferred tax credit/(charge)		(0.35)	(2.22)
Loss For The Year From Continuing Operations		(711.54)	(2,663.59)
Less : Minority Interest		(0.91)	0.06
Add : Share of Profit / (Loss) in associates		(281.34)	(146.06)
Loss after tax expense, Share of Profit in associates and minority interest from continuing operations		(993.79)	(2,809.59)
Discontinued operations:	38		
Loss before tax for the year from discontinued operations		NIL	(39.18)
Tax expenses of discontinued operations		NIL	(18.84)
Loss for the year from discontinued operations		NIL	(58.02)
Loss for the year		(993.79)	(2,867.61)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(0.53)	(0.08)
(ii) Income tax relating to items that will not be reclassified to profit or loss		NIL	NIL
Sub Total		(0.53)	(0.08)
Share in other comprehensive income of associates		(0.06)	(0.06)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(0.59)	(0.14)
B (i) Items that will be reclassified to profit or loss		NIL	NIL
(ii) Income tax relating to items that will be reclassified to profit or loss		NIL	NIL
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		NIL	NIL
Other comprehensive income for the year, net of tax		(0.59)	(0.14)
Total Comprehensive Income for the period, net of tax		(994.38)	(2,867.75)
Earnings per share (in ₹)	39		
Continuing operations			
Basic		(63.18)	(178.62)
Diluted		(63.18)	(178.62)
Discontinued operations			
Basic			(3.69)
Diluted			(3.69)
Continuing and discontinued operations			
Basic		(63.18)	(182.31)
Diluted		(63.18)	(182.31)

The accompanying notes form an integral part of the consolidated financial Statement

* The amounts for the Financial year 2015-16 which do not correspond to those reported in 2016 financial statements are on account of adjustments required by transition to Ind AS. For details of the same, refer to Note 48.

As per our report of even date
For **M/s. Godbole Bhawe and Co.**
Chartered Accountants
FRN No.114445W

M.V. Bhawe
Partner
M.No. 38812
Mumbai, April 27,2017

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

S.S.Yeolekar
Partner
M.No. 36398

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

Sunil S. Valavalkar
Whole Time Director

Milind Bapat
Chief Financial Officer

Vijay Vij
Director

Vidyadhar Apte
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2017

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid (Refer Note 21.03)	No of shares	₹ Crores
At 1 April 2015	157,296,781	157.30
At 31 March 2016	157,296,781	157.30
At 31 March 2017	157,296,781	157.30

b. Other Equity:

Particulars	Equity component of compound financial instrument	Reserves & Surplus				Translation Reserve	Reserves on Consolidation	Balance in Statement of Profit and Loss	Items of OCI FVTOCI reserve	₹ Crores Total
		Capital Reserve	Capital Redemption Reserve	Securities premium account	Debt Redemption Reserve*	General reserve				
As at 31st March 2016	570.92	12.84	8.63	448.18	191.16	510.76	(1.81)	(2.67)	NIL	(5,160.14)
Net loss for the period	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(993.79)
Addition / Reduction during the year							20.11	8.57		28.68
Other comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(0.59)
Total comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL	20.11	8.57	NIL	(965.70)
Transfer from debenture redemption reserve / general reserve	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As at 31 March 2017	570.92	12.84	8.63	448.18	191.16	510.76	18.30	5.90	NIL	(6,125.84)
For the year ended 31 March 2016										
As at 1st April 2015	570.92	12.84	8.63	448.18	191.16	510.76	(7.18)	20.22	NIL	(2,274.87)
Net loss for the period	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(2,867.61)
Addition / Reduction during the year							5.37	(22.89)		(17.52)
Other comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(0.14)
Total comprehensive income	NIL	NIL	NIL	NIL	NIL	NIL	5.37	(22.89)	NIL	(2,885.27)
Transfer from debenture redemption reserve / general reserve	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
As at 31 March 2016	570.92	12.84	8.63	448.18	191.16	510.76	(1.81)	(2.67)	NIL	(5,160.14)

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

As per our report of even date
For **M/s. Godbole Bhave and Co.**
Chartered Accountants
FRN No. 114445W

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

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

M.V. Bhave
Partner
M.No. 38812
Mumbai, April 27, 2017

S.S.Yeolekar
Partner
M.No. 36398

Sunil S. Valavalkar
Whole Time Director
Vijay Vij
Director
Vidyardhar Apté
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2017

₹ Crores

Particulars	31 March 2017	31 March 2016 (Refer note ii)
Operating activities		
Profit/(loss) before tax from continuing operations	(989.22)	(2,796.73)
Profit/(loss) before tax from discontinued operations	NIL	(39.18)
Profit before tax	(989.22)	(2,835.91)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment (Continuing operation)	50.00	100.85
Depreciation and impairment of property, plant and equipment (Discontinuing operation)	NIL	2.25
Gain on disposal of property, plant and equipment	(0.35)	(0.23)
Finance income (including fair value change in financial instruments)	(9.79)	(6.08)
Finance costs (including fair value change in financial instruments)	605.69	583.41
Profit on sale of current investments	NIL	(2.19)
Unrealised Exchange (Gain)/Loss	(17.82)	34.15
Allowance for credit losses - Trade Receivables (Continuing operation)	53.82	348.92
Allowance for credit losses - Trade Receivables (Discontinuing operation)	NIL	10.00
Allowance for credit losses- Other Receivables	201.96	45.76
Inventory Written off	NIL	55.43
Minority Interest	0.91	(0.06)
Provision for Investment / share of loss	281.40	146.12
Liabilities / provisions no longer required written back	(1.04)	(2.20)
Exceptional Items :		
Provision for Doubtful Receivables - Others (Net)	NIL	820.08
Provision for diminution in investments	NIL	700.16
Fixed assets written off	NIL	67.66
Working capital adjustments:		
Increase /(decrease) in provision for gratuity & Compensated absences	(5.55)	(0.14)
(Increase)/decrease in trade receivables	(37.51)	(21.27)
(Increase)/decrease in inventories	(4.49)	31.90
(Increase)/decrease in other current and non current assets	(29.18)	37.81
(Increase)/decrease in long term and short term loans and advances	(21.69)	(21.83)
Increase /(decrease) in trade payables, other current and non current liabilities and provisions	15.02	3.52
	92.16	98.11
Income tax paid (including TDS) (net)	(16.06)	(17.66)
Net cash flows from operating activities	76.10	80.45

₹ Crores

Particulars	31 March 2017	31 March 2016 (Refer note ii)
Investing activities		
Proceeds from sale of property, plant and equipment	0.38	0.43
Purchase of property, plant and equipment (including CWIP)	(5.04)	(3.07)
Proceeds from sale of Investments in Mutual Fund	NIL	162.80
Purchase of Investments - Mutual Fund	NIL	(139.00)
Interest received (finance income)	9.94	8.40
Net cash flows from / (used in) investing activities	5.28	29.56
Financing activities		
Interest paid	(6.87)	(2.56)
Proceeds from long term borrowings	6.31	22.17
Repayment of long term borrowings	(16.04)	(26.75)
Liability portion of guarantee obligation	(67.85)	(134.83)
Fixed deposits with banks held as margin money	6.20	2.04
Net cash flows from / (used in) financing activities	(78.25)	(139.93)
Adjustment on account of Consolidation / Translation	15.82	11.48
Net increase / (decrease) in cash and cash equivalents	18.95	(18.44)
Cash and cash equivalents at the beginning of the year	91.46	109.90
Cash and cash equivalents at the end	110.41	91.46

- (i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS - 7 'Statement of Cash Flow.
- (ii) The amounts for the Financial year 2015-16 which do not correspond to those reported in 2016 financial statements are on account of adjustments required by transition to Ind AS. For details of the same, refer to Note 48.
- (iii) Figures in brackets indicate outflows.
- (iv) Previous year's figures have been regrouped/rearranged/recast wherever necessary to make them comparable with those of current year.

As per our report of even date

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

M.V. Bhawe
Partner

M.No. 38812
Mumbai, April 27, 2017

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

S.S.Yeolekar
Partner

M.No. 36398

For and on behalf of the Board

Manoj G. Tirodkar
Chairman and Managing Director

Sunil S. Valavalkar
Whole Time Director

Milind Bapat
Chief Financial Officer

Vijay Vij
Director

Vidyadhar Apte
Company Secretary

1. BASIS OF PRINCIPLES OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 The financial statement relates to GTL Limited (hereinafter referred to as "Parent Company"), its subsidiary companies (including step down subsidiaries) (hereinafter together referred to as "The Group") and associates comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated

Statement of Changes in Equity and Statement of Consolidated Cash Flows together with the consolidated notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting standards) (Amendment) Rules, 2016. The list of subsidiary 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	31 st December
B	GTL International Limited	Bermuda	100% subsidiary of GTL Limited	31 st December
B.1	GTL (Singapore) Pte Ltd.	Singapore	100% subsidiary of GTL International Ltd	31 st December
B.2	GTL Overseas (Middle East) DMCC	UAE	100% subsidiary of GTL International Ltd	31 st December
B.3	GTL Europe Limited	UK	100% subsidiary of GTL International Ltd	31 st December
B.4	GTL Nepal Private Limited	Nepal	100% subsidiary of GTL (Singapore) Pte Ltd.	31 st December
B.5	iGTL Myanmar Limited	Myanmar	100% subsidiary of GTL (Singapore) Pte Ltd.	31 st March
C	Ada Cellworks Wireless Engineering Private Limited	India	100% subsidiary of GTL Limited	31 st March

The following wholly owned subsidiary companies of GTL International Limited whose financial year ends on 31st December are considered in consolidated financial statement and these companies are inoperative and dormant and in the process of liquidation.

GTL Kenya Limited, GTL Tanzania Limited, Pt. GTL Indonesia Limited, GTL International Bangladesh Pvt. Ltd, GTL Saudi Arabia Company Limited, iGTL Network Services Philippines Inc

1.2 Principles of Consolidation:

1 The financial statements of the Parent 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 Ind- AS 110 "Consolidated Financial Statements".

A Subsidiary is an entity controlled by the Parent. The Parent controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary

are included in the Consolidated Financial Statements from the date on which control commences as per Ind AS until the date on which control ceases.

- 2 In case of foreign subsidiaries, being non-integral foreign operations, revenue items are converted at weighted average rate for the financial year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized as the "Translation Reserve" and the same is grouped under "Reserves and Surplus".
- 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 recognized 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 recognized 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 Ind-AS 28 "Investment in Associates and Joint Ventures"
- 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 Parent Company's separate financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Financial Statements:

The Consolidated Financial Statements have been prepared on a going concern basis on accrual basis, in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended 31 March 2016, the Consolidated financial statements were prepared in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The first Ind AS compliant consolidated financial statements are for the year ended March 31, 2017 with restated comparative figures for the year ended March 31, 2016 and as on April 1, 2015 in compliance with Ind AS.. The date of transition is April 1, 2015. Refer note 48 for detailed information on first time adoption of Ind AS.

The Consolidated financial statements have been prepared on a historical cost basis, except

for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The preparation of the Consolidated financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 40 on critical accounting estimates, assumptions and judgements).

The Consolidated financial statements are presented in ₹ and all values are rounded to the nearest crores (₹ 10,000,000), except when otherwise indicated.

2. Current versus non-current classification:

The presentation of assets and liabilities in the Consolidated balance sheet is based on current/ non-current classification. The Parent Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA)."

An asset is classified as current when it satisfies any of the following criteria:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Parent Company has considered a period of twelve months for classifying its assets and liabilities as current and non-current.

3. FAIR VALUE MEASUREMENT:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Parent Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input

that is significant to the fair value measurement as a whole:

- Level 1 — Quoted / Published NAV (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (note 40)
- Quantitative disclosures of fair value measurement hierarchy (note 45)
- Investment in unquoted equity shares (note 6)
- Investment properties (note 4)
- Financial instruments (including those carried at amortised cost) (note 44)

4. REVENUE RECOGNITION:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of when the proceeds are being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually

defined terms of payment and excluding taxes or duties collected on behalf of the government. It has been concluded that Group is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific revenue recognition policies are as under:

- a. Revenue from Turnkey Contracts, which are either Fixed Price or Cost Plus contracts, is recognized based on work completion of activity or achievement of milestone.
- b. Revenue from sale of products is recognized upon passing of the title of goods and/or on transfer of significant risk and rewards of ownership thereto.
- c. Revenue from Services is recognized on performance of Service as per the contractual terms.
- d. Dividend income is recognized when the right to receive dividend is established.
- e. Income such as Interest, Rent is recognized as per contractually agreed terms on time proportion basis.

5. PROPERTY, PLANT AND EQUIPMENT:

On transition to Ind AS, the Group has opted to continue with the previous GAAP carrying values as deemed cost for all items of plant, property and equipment.

Tangible Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes purchase price (after deducting trade discounts and rebates), including non-refundable taxes and duties and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Consolidated statement of profit and loss.

Advances paid towards acquisition of fixed assets are disclosed as Capital Advances under Other non-

current assets and cost of assets not ready for use before the year-end, is disclosed as capital work in progress.

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.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Sr.	Asset	Economic Useful Life (Years)
1	Buildings (including land for which no separate Valuation is available)	58
2	Leasehold land	58
3	Plant and Equipment	3 to 10
4	Furniture and Fixtures	5
5	Test and Repair Equipment	5
6	Vehicles	5

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets taken on lease are depreciated as per useful life prescribed in schedule II, over lease period or the estimated useful life of such assets, whichever is lower. The improvements to leasehold assets are depreciated as per useful life prescribed in schedule II, over the lease period, the estimated useful life of the improvements or the balance lease period, whichever is lower.

6. INVESTMENT PROPERTIES:

On transition to Ind AS, the Group has opted to continue with the previous GAAP carrying values as deemed cost for investment properties.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group based on assessment made by technical expert and management estimate, depreciates the building over estimated useful life of 58 years which is different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that this estimated useful life is realistic and reflects fair approximation of the period over which the asset is likely to be used.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated statement of Profit and Loss when the asset is derecognised.

7. INTANGIBLE ASSETS:

On transition to Ind AS, the Group has opted to continue with the previous GAAP carrying values as deemed cost for all items of Intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated statement of Profit and Loss when the asset is derecognised

The Group amortises intangible assets using the straight line method based on useful lives as prescribed in Schedule II.

8. INVENTORIES:

- a. Inventories including Work-in-process and stores and spares are valued at the lower of cost and net realizable value.
- b. Inventory of Consumables is valued at cost
- c. Cost of inventories is generally ascertained on first in first out basis.

Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

9. IMPAIRMENT OF NON-FINANCIAL ASSETS

At each balance sheet, the Group assesses whether there is any indication that any property, plant and equipment and intangible asset may be impaired and if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable

amount. An impairment loss is recognised immediately in the Consolidated Statement of profit and loss. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

10. FOREIGN CURRENCIES:

The Consolidated financial statements are presented in ₹ which is also its functional currency of the Parent Company.

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

11. EMPLOYEE BENEFITS:

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense during the year when the employees render the services.

Post-Employment Benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the specified contributions are paid to a separate entity. The specified monthly contributions are paid towards Provident Fund, Pension Scheme or any other applicable funds. The contributions are recognised as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plan

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the other Comprehensive Income.

12. FINANCIAL INSTRUMENTS:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss are adjusted to the fair value on initial recognition. Purchase and sale of financial asset are recognised using trade date accounting i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Financial Assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect the contractual cash flows and the contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated profit or loss. The losses arising from impairment are recognised in the Consolidated profit or loss. This category applies to Trade and other receivables, Security deposits, Other advance, Loan and advances to related parties, Unbilled Income, Interest Receivable etc.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at Fair Value through other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group does not have any financial assets which are fair valued through Other Comprehensive Income (FVTOCI).

Financial Assets at Fair Value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss

Equity investments

All equity investments other than investment in Associates are measured at fair value, with value changes recognised in Statement of Profit and loss except for those equity investments for which the Group has elected to present the value changes in 'other comprehensive income'

The Group does not have any equity investments which are fair value through Other Comprehensive Income (FVTOCI)

The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Consolidated balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group assesses impairment based on expected credit loss (ECL) model to the following

Financial assets at amortised cost

Financial assets measured at fair value through Profit or Loss Account

The Group follows simplified approach for recognition of impairment loss allowance. The application of

simplified approach does not require the Group to track changes in credit risks. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

The Group uses historical cost experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historically observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

A. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as

hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced

by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) contract that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those

assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

13. 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 said liabilities are accepted.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The current tax assets and current tax liabilities are offset and presented net if and only if there is legally enforceable right to set off current tax assets and current tax liabilities.

- b. Deferred tax: Deferred tax is recognised on differences between the carrying amounts of

assets and liabilities in the Consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit and thereafter a deferred tax asset or deferred tax liability is recorded for temporary differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The deferred tax assets and deferred tax liabilities are offset and presented net if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

- c. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the normal income tax will be paid during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Consolidated Statement of profit and loss and shown as MAT credit entitlement. The same is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent there is no longer convincing evidence to the effect that the normal income tax will be paid during the specified period.

14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an

outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Consolidated statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Consolidated Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

15. 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.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

16. LEASES:

As a lessee:

- a. Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease.

Operating lease payments are recognized as expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue.

- b. Assets acquired under leases where all the risks and rewards incidental to ownership are substantially transferred to the Group 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.

17. CONVERTIBLE PREFERENCE SHARES

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

18. CASH AND CASH EQUIVALENTS :

Cash and cash equivalents 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, which are subject to an insignificant risk of changes in value

For the purpose of Consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above net of outstanding bank overdrafts where they are considered an integral part of the Group's cash management policy.

19. EARNINGS PER SHARE

The earnings considered in ascertaining the Earnings Per Share (EPS) is the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period/year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

20. NON-CURRENT ASSETS HELD FOR SALE / DISCONTINUED OPERATIONS:

The Group classifies non-current assets as held for sale/ discontinued operations if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
 - Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Consolidated statement of profit and loss.

2.2 CORPORATE INFORMATION

The Parent Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The registered office of the Company is located at GTL Limited, Global Vision, Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai.

The Group is engaged in providing network services to telecom operators, OEM's and tower companies.

The Consolidated financial statements were authorised for issue in accordance with a resolution passed in the meeting of the Board of directors held on April 27, 2017.

3. PROPERTY, PLANT AND EQUIPMENT

₹ Crores

Particulars	Leasehold Buildings	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Networking Assets	Test and Repair Equipments	Vehicles	Total of Property, plant and equipment	Capital Work in Progress
Deemed Cost (Refer Note No 3.1)										
At 1 April 2015	77.38	110.10	5.11	3.35	4.38	38.29	5.60	0.35	244.56	64.30
Additions	1.63	0.10	0.58	0.17	0.56	0.09	0.03	0.45	3.61	1.27
Disposals	NIL	(2.78)	(0.08)	(0.13)	(2.22)	(0.01)	NIL	(0.06)	(5.28)	(65.34)
At 31 March 2016	79.01	107.42	5.61	3.39	2.72	38.37	5.63	0.74	242.89	0.23
Additions	NIL	1.75	0.81	0.57	0.60	0.42	0.08	0.92	5.15	
Disposals	NIL	(1.55)	(1.09)	(0.05)	(0.11)	(1.46)	-	-	(4.26)	(0.23)
At 31 March 2017	79.01	107.62	5.33	3.91	3.21	37.33	5.71	1.66	243.78	(0.00)
Depreciation and impairment										
At 1 April 2015	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Depreciation charge for the year	1.71	71.40	1.39	1.01	1.88	23.37	1.86	0.14	102.76	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2016	1.71	71.40	1.39	1.01	1.88	23.37	1.86	0.14	102.76	NIL
Depreciation charge for the year	1.82	32.36	0.85	1.12	0.66	11.54	1.36	0.18	49.89	NIL
Disposals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
At 31 March 2017	3.53	103.76	2.24	2.13	2.54	34.91	3.22	0.32	152.65	NIL
Net Book Value										
At 31 March 2017	75.48	3.86	3.09	1.78	0.67	2.42	2.49	1.34	91.13	NIL
At 31 March 2016	77.30	36.02	4.22	2.38	0.84	15.00	3.77	0.60	140.13	0.23
At 1 April 2015	77.38	110.10	5.11	3.35	4.38	38.29	5.60	0.35	244.56	64.30

3.1 For Property, Plant and equipment and Capital work in progress as on 1 April 2015, i.e., its date of transition to Ind AS, the Group has used Indian GAAP carrying values as deemed costs.

3.2 Deemed cost of leasehold building includes subscription towards share capital of co-operative societies amounting to ₹ 2,750/- (Previous Year ₹ 2,750/-)

3.3 For lien and charge on the above assets refer note no 26.2

3.4 In accordance with the Indian Accounting Standard (Ind AS 36) on "Impairment of Assets" the Management carried out an exercise of identifying assets that may have been impaired and on the basis of this review carried out by the Management, there was no impairment loss on Property, plant and equipment during the year ended March 31, 2017 and March 31, 2016

4. INVESTMENT PROPERTY

₹ Crores

Particulars	Freehold land	Leasehold land	Total
Opening Balance At 1 April 2015	0.23	3.05	3.28
Additions	NIL	NIL	NIL
Disposals	NIL	NIL	NIL
Closing Balance At 31 March 2016	0.23	3.05	3.28
Additions	NIL	NIL	NIL
Disposals	NIL	NIL	NIL
Closing Balance At 31 March 2017	0.23	3.05	3.28
Depreciation and impairment			
Opening Balance At 1 April 2015	NIL	NIL	NIL
Depreciation charge for the year	NIL	0.05	0.05
Disposals	NIL	NIL	
Closing Balance At 31 March 2016	NIL	0.05	0.05
Depreciation charge for the year	NIL	0.06	0.06
Disposals	NIL	NIL	NIL
Closing Balance At 31 March 2017	NIL	0.11	0.11
Net Block			
At 31 March 2017	0.23	2.94	3.17
At 31 March 2016	0.23	3.00	3.23
At 1 April 2015	0.23	3.05	3.28

4.1 For Investment Property as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying values as deemed costs.

4.2 Information regarding income and expenditure of Investment property

₹ Crores

Particulars	March-17	March-16
Rental income derived from investment properties	NIL	NIL
Direct operating expenses (including repairs and maintenance) generating rental income	NIL	NIL
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(0.13)	(0.13)
Loss arising from investment properties before depreciation and indirect expenses	(0.13)	(0.13)
Less – Depreciation	(0.06)	(0.06)
Loss arising from investment properties before indirect expenses	(0.19)	(0.19)

4.3 Reconciliation of fair value

₹ Crores

Particulars	Amount
Fair value as at 1 April 2015	36.17
Fair value difference	2.49
Purchases	NIL
Fair value as at 31 March 2016	38.66
Fair value difference	1.89
Purchases	NIL
Fair value as at 31 March 2017	40.55

4.3.1 Estimation of Fair Value

The Group's investment properties consist of land parcels in the state of Gujarat and Maharashtra

The Group obtains independent valuations for its investment properties at least annually. These valuations are performed by independent valuers who are specialists in valuing these types of investment properties. The valuation methodology is based on the prevailing rate of sale of land in said locality with the same specification and amenities. This valuation methodology is categorised under level 3 of fair value hierarchy.

4.4 For lien and charge on the above assets refer note no 26.2

5. INTANGIBLE ASSETS

₹ Crores

Particulars	Networking Software	Other than Networking Software	Total
Deemed Cost (Refer Note No 5.1)			
At 1 April 2015	1.09	NIL	1.09
Additions	0.03	NIL	0.03
Disposals	NIL	NIL	NIL
At 31 March 2016	1.12	NIL	1.12
Additions	NIL	NIL	NIL
Disposals	(0.03)	NIL	(0.03)
At 31 March 2017	1.09	NIL	1.09
Amortization and impairment			
At 1 April 2015			
Amortisation	0.29	NIL	0.29
Disposals	NIL	NIL	NIL
At 31 March 2016	0.29	NIL	0.29
Amortisation	0.05	NIL	0.05
Disposals	NIL	NIL	NIL
At 31 March 2017	0.34	NIL	0.34
Net Book Value			
At 31 March 2017	0.75	NIL	0.75
At 31 March 2016	0.83	NIL	0.83
At 1 April 2015	1.09	NIL	1.09

5.1 For Intangible assets as on 1 April 2015, i.e., its date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed costs.

5.2 For lien and charge on the above assets refer note no 26.2

6. INVESTMENTS (NON CURRENT)

Particulars	31 March 2017		31 March 2016		01 April 2015	
	Numbers	₹ Crores	Numbers	₹ Crores	Numbers	₹ Crores
Investments - Trade (fully paid)						
Quoted						
Equity Shares - Associates						
GTL Infrastructure Ltd.	345,763,466	591.55	345,763,466	591.55	345,763,466	591.55
(Face Value of Rs. 10/- each)						
Less : Share of loss		(591.55)		(591.55)		(591.55)
Total of Quoted Investments in Equity Shares – Trade		NIL		NIL		NIL

Particulars	31 March 2017		31 March 2016		01 April 2015	
	Numbers	₹ Crores	Numbers	₹ Crores	Numbers	₹ Crores
Unquoted						
Equity Shares of Associates						
Global Rural Netco Ltd. (Face Value of ₹ 10/- each)	75,000,000	-	75,000,000	75.00	75,000,000	75.00
Less : Share of loss		-		(75.00)		(57.37)
		-		NIL		17.63
Chennai Network Infrastructure Ltd. (Face Value of ₹ 10/- each)	1,700,742,399	1,637.48	1,700,742,399	1,637.48	1,700,742,399	1,637.48
Less : Share of loss		(1,221.35)		(939.95)		(811.46)
		416.13		697.53		826.02
		416.13		697.53		843.65
Other						
European Projects and Aviation Ltd. (Face Value of ₹ 10/- each)	12,350,000	-	12,350,000	53.81	12,350,000	53.81
Less : Provision for Impairment loss		-		(53.81)		NIL
		NIL		NIL		53.81
Total of Un-quoted Investments in Equity Shares – Trade		416.13		697.53		897.46
Investments at fair value						
Associates						
6% Cumulative Redeemable Preference Shares of Global Rural Netco Ltd.	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00
Less : Provision for Impairment loss		(200.00)		(200.00)		NIL
		NIL		NIL		200.00
Others						
0.1% Cumulative Preference Shares of Global Proserv Ltd (Face Value of ₹ 100/- each)	13,000,000	100.24	13,000,000	100.24	13,000,000	100.24
Less : Provision for Impairment loss		(100.24)		(100.24)		NIL
		NIL		NIL		100.24
0.1% 12 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/- each)	13,000,000	15.04	13,000,000	15.04	13,000,000	15.04
0.02% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/- each)	50,250,000	19.11	50,250,000	19.11	50,250,000	19.11
0.1% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹10/- each)	44,246,900	77.50	44,246,900	77.50	44,246,900	77.50
Total		111.65		111.65		111.65

Particulars	31 March 2017		31 March 2016		01 April 2015	
	Numbers	₹ Crores	Numbers	₹ Crores	Numbers	₹ Crores
Less : Provision for Impairment loss		(111.65)		(111.65)		NIL
		<u>NIL</u>		<u>NIL</u>		<u>111.65</u>
Total of Un-quoted Investments in Preference Shares - Others		<u>NIL</u>		<u>NIL</u>		<u>211.89</u>
Total of Un-quoted Investments in Preference Shares		<u>NIL</u>		<u>NIL</u>		<u>411.89</u>
Trade						
Debenture of :						
Associates						
11% Fully Convertible Debenture Series - A Global Rural Netco Ltd. (Face Value of ₹ 100/- each)	15,000,000	150.00	15,000,000	150.00	15,000,000	150.00
Less : Provision for Impairment loss		(150.00)		(150.00)		NIL
Total of Un-quoted Investments in Debentures – Trade		<u>NIL</u>		<u>NIL</u>		<u>150.00</u>
Total of Un-quoted Investments – Trade		<u>416.13</u>		<u>697.53</u>		<u>1,459.35</u>
5% Redeemable Preference Shares of City Windsor Ltd. Of \$ 1 each	20,000,000	80.17	20,000,000	80.17	20,000,000	80.17
Less : Provision for Impairment loss		(80.17)		(80.17)		NIL
Total		<u>NIL</u>		<u>NIL</u>		<u>80.17</u>
Total Investments		<u>416.13</u>		<u>697.53</u>		<u>1,539.52</u>
Aggregate amount of quoted investments		<u>591.55</u>		<u>591.55</u>		<u>591.55</u>
Aggregate market value of quoted investments		<u>198.81</u>		<u>72.61</u>		<u>67.42</u>
Aggregate Amount of unquoted investments		<u>2,279.54</u>		<u>2,408.35</u>		<u>2,408.35</u>
Aggregate amount of impairment in value of investments		<u>2,454.96</u>		<u>2,302.37</u>		<u>1,460.38</u>

- 6.1 On the date of transition i.e. April 01, 2015 as per the option available in (Ind AS 101) "First Time Adoption of Indian Accounting Standard", the Group valued its equity investment in associates at cost.
- 6.2 Subsequent to transition date, the Group has measured its investments in preference shares and equity share at fair value and tested these investment for expected credit loss and differences have been accounted through Profit and Loss Account
- 6.3 The share in associates is accounted under Equity method as per (Ind AS - 28) "Accounting for Investment in Associates and Joint Ventures" in Consolidated Financial Statements based on audited / unaudited accounts of associates as available.

7. LOANS (NON CURRENT)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Unsecured, Considered good			
Deposits with body corporates and others	7.42	10.29	7.64
Deposits with government authorities	0.03	0.03	0.03
Total	7.45	10.32	7.67

8. OTHER (NON-CURRENT)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Unsecured, considered good			
Advance to Suppliers (Refer note 8.1)	451.20	538.02	1,342.14
Other Advances	192.79	192.79	192.79
Unsecured, considered doubtful			
Advance to Suppliers	1,075.20	1,003.83	190.34
Total Loans (before Allowance for credit losses)	1,719.19	1,734.64	1,725.27
Allowance for credit losses			
Advance to Suppliers (Refer note 8.1)	(1,075.20)	(1,003.83)	(190.34)
	(1,075.20)	(1,003.83)	(190.34)
Total	643.99	730.81	1,534.93

8.1 The Group in the past years had paid advances for procurement of material to execute large telecom projects such as BSNL mega tenders, Aircel and other telecom projects both in India and International operations. In view of discontinuation of these projects, the Group was forced to cancel the procurement of material and initiate steps to recover these advances. The Group successfully negotiated with its suppliers and recovered part of the advances. As part of negotiated terms, the Group was required to assist the suppliers for procuring Bank Guarantees / SBLC. The Group was unable to meet this requirement resulting in suppliers raising disputes. Considering negotiations with the suppliers, adequate impairment provision of ₹ 71.37 Crores and ₹ 813.49 Crores was made during the FY 2016-17 and FY 2015-16 respectively towards these advances on the basis of expected credit loss. The management is confident of recovery of advances which have been considered good.

9. DEFERRED TAX**9.1 Deferred tax liabilities / (Assets) of Subsidiary Companies**

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Relating to			
Property, Plant and Equipment	(2.26)	(0.07)	(19.44)
	(2.26)	(0.07)	(19.44)

9.1.1 The above deferred tax asset has been recognized in the consolidated financial statements considering certainty of future taxable income against which deferred tax asset can be realized.

9.2 Deferred tax liabilities / (Assets) of parent Company

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Relating to			
Property, Plant and Equipment	(25.30)	(19.81)	(0.05)
Other Intangible Assets	(0.81)	(1.13)	(1.51)
Financial Asset - Others	(219.82)	(216.03)	(44.26)
Disallowance Under Section 43B of the Income Tax Act, 1961	(338.15)	(247.47)	(159.87)
Provision for doubtful debts	(59.96)	(48.55)	(23.64)
Unabsorbed Depreciation	(145.51)	(125.15)	(111.01)
	(789.55)	(658.14)	(340.34)

9.2.1 The Parent Company has a Deferred Tax Asset of ₹ 789.55 Crores as on March 31, 2017 (₹ 658.14 Crores and ₹ 340.34 Crores as on March 31, 2016 and March 31, 2015 respectively). The same has not been recognised in the financial statement in the absence of probable taxable profits against which the same can be utilised.

9.2.2 Amount and expiry date of unused tax losses which are not considered in deferred tax assets disclosed above
- Parent Company

₹ Crores

Carried Forward Till AY	Unused tax Loss	Carried Forward Till AY
2012-13	104.75	2020-21
2013-14	87.81	2021-22
2014-15	408.80	2022-23
2015-16	194.04	2023-24
2016-17	141.28	2024-25
2017-18	191.03	2025-26
	1,127.71	

From last few years the Parent Company is incurring losses and doesn't expect sufficient future taxable income in the near future against which the unused business losses can be utilised and therefore the Parent Company has not considered the same for working of unrecognised DTA disclosed above .

10. OTHER NON-CURRENT ASSETS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Capital advances	0.07	0.07	0.08
Total	0.07	0.07	0.08

11. INVENTORIES

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Stock-in-trade held for trading (Refer note 11.2)	3.16	2.61	94.61
Work-in-Progress	6.31	8.31	0.35
Consumables	5.94	NIL	3.30
Total	15.41	10.92	98.26

11.1 For basis of valuation – Refer Point No. 8 of Note No. 2.1 “Significant Accounting Policies”

11.2 Stock-in-trade held for trading as on April 01, 2015 include ₹2.33 Crores pertaining to business activity which was discontinued by the Parent Company during the FY 15-16.

12. INVESTMENTS (CURRENT)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Investments - Unquoted			
Investment in Mutual Funds of:			
J P Morgan India Liquid Fund – Growth Plan (No of Units - 8,995,603)	NIL	NIL	16.34
DSP BlackRock Liquidity Fund – Growth Plan (No of Units - 26,354)	NIL	NIL	5.27
Total	NIL	NIL	21.61
Aggregate Amount of unquoted investments	NIL	NIL	21.61
Aggregate amount of impairment in value of investments	NIL	NIL	NIL

12.1 For basis of valuation – Refer Point No. 12 of Note No. 2.1 “Significant Accounting Policies”

13. TRADE RECEIVABLES

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Trade receivables			
Unsecured,			
considered good	196.49	212.44	550.83
Doubtful	508.77	475.22	215.08
	705.26	687.66	765.91
Allowance for credit losses	(508.77)	(475.22)	(215.08)
Total	196.49	212.44	550.83
Trade receivables (Net of allowance for credit losses)			
Associates	30.66	27.90	29.75
External	165.83	184.54	521.08
Total	196.49	212.44	550.83

13.1 The Parent 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.

13.2 For terms and conditions relating to related party receivables, refer Note 43.2.3

14. CASH AND CASH EQUIVALENTS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Balances with banks			
In current accounts	97.16	91.09	108.81
Cheques on hand (Since realised)	13.11	NIL	NIL
Cash on hand	0.14	0.37	1.09
	110.41	91.46	109.90

14.1 **Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as provided in the Table below:**

₹ Crores

Particulars	SBN's	Other Denomination notes	Total
Closing Balance in hand as on 08.11.2016	0.06	0.02	0.08
(+) Permitted receipts	NIL	0.06	0.06
(-) Permitted payments	NIL	0.03	0.03
(-) Amount deposited in Banks	0.06	NIL	0.06
Closing cash in hand as on 30.12.2016	NIL	0.05	0.05

The above information is in respect of the Parent Company. As regards Indian subsidiary ADA Cellworks Wireless Engineering Private Limited there were no transactions in specified bank notes during the period 8th November, 2016 to 30th December, 2016

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Margin money with banks against guarantees*	20.86	26.94	28.85
Earmarked bank balances towards unclaimed dividend	0.34	0.46	0.59
	21.20	27.40	29.44

* Includes ₹ 5.04 Crores (as at March 31, 2016 ₹ 1.63 Crores and as at April 01, 2015 ₹ 0.29 Crores) having maturity after 12 months.

16. LOANS (CURRENT)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Unsecured			
Loans to employees	0.00	NIL	0.25
Deposits with body corporates and others			
considered good	33.21	11.11	7.52
considered doubtful	2.37	2.38	2.52
Total	35.58	13.49	10.29
Allowance for credit losses on deposits	(2.37)	(2.38)	(2.52)
Total	33.21	11.11	7.77

17. OTHERS (CURRENT)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Considered good to the extent not provided			
Advance to Suppliers (Refer note 17.1)	192.58	200.17	227.48
Advance Towards Share Application Money (Refer note 17.2)	84.17	66.15	62.58
Interest receivable (Refer note 17.3)	45.91	45.91	47.90
Interest receivable on term deposit	0.22	0.37	0.70
Deposit towards negotiated settlement - lenders	NIL	2.43	NIL
Other Advances	20.86	20.99	3.57
Receivable towards reimbursible of cost / expenses	13.02	13.54	12.20
Unbilled Revenue	89.82	60.32	92.36
Total	446.58	409.88	446.79
Allowance for credit losses			
Advance Towards Share Application Money	(64.75)	NIL	NIL
Interest receivable	(45.91)	(45.91)	NIL
Other Advances	(2.00)	NIL	NIL
Receivable towards reimbursible of cost / expenses	(11.72)	(11.97)	(2.42)
	(124.38)	(57.88)	(2.42)
Total	322.20	352.00	444.37

17.1 The Parent Company in the past had paid advances for procurement of material for execution of certain telecom projects. In view of cancelation of these projects, the Parent Company was forced to cancel the procurement of material and initiate steps to recover these advances. No credit loss is expected in respect of these advances and the management is confident of recovery of the same.

17.2 During the year, one of the subsidiaries has made impairment provision for share application money ₹ 64.75 Crores on the basis of expected credit loss.

17.3 Includes ₹ 26.54 Crores, ₹ 26.54 Crores and ₹ 22.42 Crores as at March 31, 2017, as at March 31, 2016 and as at April 01, 2015 respectively receivable from a related party.

18. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Claims receivables - Distribution Franchise (net) (Refer note 18.1)	43.83	43.83	43.83
Total	43.83	43.83	43.83
Allowance for credit losses on claims receivables - DF	(43.83)	NIL	NIL
Total	NIL	43.83	43.83

18.1 During the financial year 2014-15 Distribution Franchise (DF) agreement between the Parent Company and MSIEDCL got terminated. The reconciliation and settlement of several claims of the Company and MSIEDCL are under process. The amount payable of ₹ 210.76 Crores to MSIEDCL is adjustable against receivable of ₹ 254.59 crores from them and accordingly has been presented net. The Parent Company has tested the amount receivable from MSIEDCL for expected credit loss and accordingly ₹ 43.83 crores is provided for (refer note no 36.1)

19. CURRENT TAX ASSETS (NET)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Advance Income Tax & Tax deducted at source (Net of provision)	27.28	15.19	9.29
Total	27.28	15.19	9.29

20. OTHER CURRENT ASSETS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Prepaid Expenses	2.21	2.33	4.94
Input Tax Recoverable	15.19	18.63	11.35
Advance to Suppliers	27.32	35.31	36.44
Less: Allowance for credit losses	(5.16)	(0.66)	(15.41)
	22.16	34.65	21.03
Advances to employees	5.88	4.25	2.79
Less: Allowance for credit losses	(0.18)	(0.46)	(0.79)
	5.70	3.79	2.00
Advance towards negotiated settlement - lenders (refer note 20.1)	2.38	NIL	NIL
Total	47.64	59.40	39.32

20.1 During the year, one of the international subsidiaries has paid ₹ 2.38 Crores to one of the lenders towards proposal of negotiated settlement of its debt which is under discussion.

21. SHARE CAPITAL**Authorised Share Capital**

Particulars	Equity shares		Preference shares	
	No. in Crores	₹ Crores	No. in Crores	₹ Crores
At 1 April 2015	290,000,000	290.00	810,000,000	810.00
Increase / (decrease) during the year	NIL	NIL	NIL	NIL
At 31 March 2016	290,000,000	290.00	810,000,000	810.00
Increase / (decrease) during the year	NIL	NIL	NIL	NIL
At 31 March 2017	290,000,000	290.00	810,000,000	810.00

21.1 Terms/ rights attached to equity shares

The Parent 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 Parent Company in respect of any of the equity shares of such member. All equity shares of the Parent Company rank pari-passu in all respects including the right to dividend.

In the event of winding-up of the Parent Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Parent 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 and Articles of Association of the Parent Company.

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

The Parent Company has only one class of preference shares, having face value of ₹ 10/- per share allotted to Chennai Network Infrastructure Limited (CNIL), a Company's associate. 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent Company.

The OCPS holder/s shall have all other rights as available as per the provisions of Companies Act, 2013, read together with Memorandum and Articles of Association of the Parent Company.

21.3 Issued equity capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No.	₹ Crores
At 1 April 2015	157,296,781	157.30
Changes during the year	NIL	NIL
At 31 March 2016	157,296,781	157.30
Changes during the year	NIL	NIL
At 31 March 2017	157,296,781	157.30

21.4 Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	No. in Crores	% holding in the class	No. in Crores	% holding in the class	No. in Crores	% holding in the class
Equity Shares						
Global Holding Corporation Private Limited (One of the Promoters and the Company's associate)	2.90	18.42	5.10	32.41	5.10	32.41
Syndicate Bank	2.20	13.99	NIL	NIL	NIL	NIL
Mr. Manoj G. Tirodkar	1.86	11.82	1.86	11.82	1.86	11.82
Preference Shares						
Chennai Networks Infrastructure Limited (Company's associate)	65.00	100.00	65.00	100.00	65.00	100.00

22. BORROWINGS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Non-current borrowings			
Non-current interest bearing loans and borrowings:			
Unsecured loans			
Liability component of compound financial instrument			
0.01% Non-Participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10/- each fully paid - up	127.08	114.39	102.93
Total unsecured loans	127.08	114.39	102.93

22.1 Liability component of compound financial instrument i.e. 0.01% Non-Participating Optionally Convertible Cumulative Preference Shares (OCPS) is determined considering effective interest rate.

22.2 Refer note 21.2 for Terms, Rights, Preferences, redemption details and restrictions attached to 0.01% - Non Participating Optionally Convertible Cumulative Preference Shares (OCPS)

23. PROVISIONS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Provision for Employee Benefits			
Gratuity	0.07	5.24	4.57
Leave Encashment	0.73	1.15	1.39
	0.80	6.39	5.96

24. SHORT TERM BORROWINGS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Borrowing against bank deposit	13.77	7.37	16.59
	13.77	7.37	16.59

25. TRADE PAYABLES

₹ Crores

	31 March 2017	31 March 2016	1 April 2015
Trade payables	190.05	185.98	202.73
Trade payables to related parties (refer note 25.1)	29.69	12.21	NIL
	219.74	198.19	202.73

25.1. Details of Trade payable - related parties

Particulars	31 March 2017	31 March 2016	1 April 2015
	₹ Crores	₹ Crores	₹ Crores
Associates	29.69	12.21	NIL
	29.69	12.21	NIL

25.2 For terms and conditions with related parties, refer to Note 43.2.3

25.3 The Parent Company has sought the balance confirmations from the trade payables and has received such confirmations from some purchasers. In respect of remaining purchaser, balances are subject to confirmation and appropriate adjustment, if necessary, will be considered in the year of reconciliation.

25.4 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.

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Principal amount remaining unpaid	0.94	0.94	0.99
Interest due thereon	2.80	2.58	2.35
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	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);	NIL	0.04	0.13
The amount of interest accrued and remaining unpaid at the end of accounting year	2.80	2.58	2.35
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.	0.22	0.23	0.32

26. OTHER FINANCIAL LIABILITIES

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Secured			
Payable to CDR lenders (Refer Note 26.1 and 26.2)	2,793.59	2,774.02	2,718.15
Payable to lenders of international subsidiaries (Refer Note 26.1 and 26.3)	183.09	187.32	176.34

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Unsecured			
Term loan from bank - international subsidiaries	135.77	138.72	131.23
Payable to External Commercial Borrowings (ECB) lenders (Refer Note 26.4)	720.13	735.73	694.86
Payable to Holders of Rated Redeemable Unsecured Rupee Non-Convertible Debentures (NCD) (Refer Note 26.4 and 26.5)	1,649.16	1,649.16	1,649.16
Dues to holders of 7% cumulative convertible debentures (CCD)	64.86	66.27	76.63
Credit facilities with banks - due	173.32	177.08	162.34
Interest accrued and due on borrowings (Refer Note 26.6)	1,677.47	1,134.53	601.45
Interest accrued and due on others	2.80	2.59	2.35
Liability towards guarantee obligation	58.92	126.77	261.60
Unpaid dividend	0.34	0.46	0.59
Payables for capital expenditure	0.41	0.47	0.28
Accrued expenses	17.40	18.49	9.27
Security Deposit Received	2.28	2.24	2.23
Accrued salaries & Employee benefits	10.00	3.70	3.21
Expense Creditors	10.85	14.28	15.38
Others	1.11	1.32	1.05
	7,501.50	7,033.15	6,506.12

26.1. In view of non-adherence to the agreed CDR terms for repayment of principal loan, interest and other conditions, the entire liability of the Parent Company towards CDR lenders is presented under current financial liability on implementation of Ind AS. The Parent Company continues to be under CDR. None of the CDR lenders have recalled the loan due to them. Parent Company's proposal for negotiated settlement of debts has been agreed in principle by all sets of lenders viz. CDR, NCD and ECB Lenders.

Details of defaults in repayment of due to the lenders (as per CDR / Sanctioned terms)

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Parent Company			
Payable to CDR Lenders June 14 15 to March 17 (June 14 to March 16) [June 14 to March 15] (Includes Term loan of ₹ 956.78 Crores, FITL of ₹ 303.97 Crores and Dues towards BG invocation ₹ 112..27)	1,373.02	901.50	419.55
Payable to External Commercial Borrowings (ECB) lenders (Due since september 2011)	720.13	735.73	694.86
International Subsidiary			
Payable to lenders of international subsidiaries (Due since June 14)	183.09	187.32	176.34
Term loan from bank - international subsidiaries (Due since March 12)	135.77	138.72	131.23
Dues to holders of 7% cumulative convertible debentures (CCD) (Due since December 14)	64.86	66.27	76.63
Credit facilities with banks - due (Due since March 12)	173.32	177.08	162.34

26.2 Nature of security: Parent Company

- 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 Parent Company namely Mr. Manoj G. Tirodkar;
 - f) Pledge of all investments of the Parent 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 Parent Company, has extended a personal guarantee. The guarantee is limited to an amount of ₹ 394.28 Crores; and
 - h) Mr. Manoj G. Tirodkar and Global Holding Corporation Private Limited (GHC), promoters of the Parent 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 Parent 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 Parent 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 Parent Company's debts under CDR Mechanism, the Parent 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 Crore. In terms of CDR Documents inter-alia Master Restructuring Agreement, the earlier charges are not satisfied by the Parent Company after creation of new security as stated in I above.

26.3 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 Europe Limited and GTL Singapore Pte Ltd in favour of Axis Bank for the collection from Trade Receivables.

26.4 As a culmination of discussion among the 3 sets of Lenders viz CDR Lenders, ECB Lenders and NCD Holder, all the Lenders agreed in-principle to consider the One Time Settlement (OTS) proposal and the sharing ratio decided by the Lenders for settlement of their dues. Since reporting of these details in the previous year, while some of the Lenders have given their approvals, the approvals of the others is awaited. Though it was originally expected that the individual approvals of the lenders would be received by March 31, 2016 there was delay. However the lenders have agreed to expedite the process of approval of settlement and strive to complete the same by June 2017. In the JLF meeting, the NCD Holder has informed that it has also approved the proposal and once the approval from other lenders are received, they would file consent terms at Bombay High Court for withdrawing its Winding up Petition. As regards ECB, the approval of some of the ECB Lenders is awaited.

26.5 The holder of Rated Redeemable Unsecured Rupee Non-Convertible Debentures issued by the Parent Company had given their consent to be part of the Corporate Debt Restructuring Scheme. Accordingly, the Parent Company and the holders of Rated Redeemable Unsecured Rupee Non-Convertible Debentures entered into amendment to the original sanction letter to restructure NCD debt.

While the Parent Company was in the process of obtaining consent of the CDR lenders on bilateral restructuring documents, the Parent Company received a notice from the NCD holder exercising its rights for acceleration of the entire outstanding amount and filed winding up petition against the Parent Company before Hon'ble High Court of Bombay. The matter is currently sub-judice.

Since all funds of the Parent 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 of the Parent Company and thus not in the nature of default.

Further NCD holder along with other lenders agreed in-principle for the One Time Settlement (OTS) proposal made by the Parent Company.

26.6 Details Interest accrued and due on borrowings comprises of:

- a) Overdue Interest of ₹ 502.79 Crores relating to the period March 14 to March 17 (as at March 31, 2016 ₹346.25 Crores and as at April 01, 2015 ₹189.28 Crores relating to the March 14 to March 16 and March 2014 to March 2015 respectively) on amounts due to holders of Rated Redeemable Unsecured Rupee Non-convertible Debentures;
- b) Overdue Interest of ₹ 164.51 Crores relating to the period for December 12, 2011 to March 31, 2017 (as at March 31, 2016 ₹ 131.95 Crores and as at April 01, 2015 ₹ 93.75 crores relating to the period December 12, 2011 to March 31, 2016 and December 12, 2011 to March 31, 2015 respectively) on External Commercial Borrowings;
- c) Overdue Interest of ₹ 727.80 Crores relating to the period June 2014 to March 2017 (as at March 31, 2016 ₹ 454.44 Crores and as at April 01, 2015 ₹ 196.54 crores relating to the period June 2014 to March 2016 and June 2014 to March 2015 respectively) on Secured Term Loan;
- d) Overdue interest of ₹ 22.64 Crores relating to the period June 2014 to March 2017 (as at March 31, 2016 ₹ 13.32 Crores and as at April 01, 2015 ₹ 5.87 Crores relating to the period June 2014 to March 2016 and June 2014 to March 2015 respectively) on Secured Funded Interest Term Loan;
- e) Overdue interest of ₹ 23.00 Crores September 2014 to March 2017 (as at March 31, 2016 ₹ 12.50 Crores and as at April 01, 2015 ₹ 2.48 crores relating to the period September 2014 to March 2016 and September 2014 to March 2015) on Cash Credit facility;
- f) Overdue interest of ₹ 20.27 Crores November 2014 to March 2017 (as at March 31, 2016 ₹ 9.79 Crores relating to period November 2014 to March 2016 and as at April 01, 2015 ₹ Nil) on Dues towards BG Invocation;
- g) Overdue interest of ₹ 216.46 crores (as at March 31, 2016 ₹ 166.28 Crores and as at April 01, 2015 ₹ 113.53 crores) pertaining to the Company's international subsidiaries and step-down subsidiaries comprises of:
 - i. Overdue Interest of ₹ 68.95 Crores relating to the period March 12 to March 17 (as at March 31, 2016 ₹ 58.56 Crores and as at April 01, 2015 ₹ 45.50 crores relating to the period March 12 to March 16 and March 12 to March 15 respectively) on credit facilities;
 - ii. Overdue Interest of ₹ 2.06 Crores relating to the period September 13 to March 17 (as at March 31, 2016 ₹ 1.83 Crores and as at April 01, 2015 ₹ 3.27 crores relating to the period September 13 to March 16 and September 13 to March 15 respectively) on overdraft facilities;
 - iii. Overdue Interest of ₹ 92.40 Crores relating to the period March 12 to March 17 (as at March 31, 2016 ₹ 62.24 Crores and as at April 01, 2015 ₹ 35.96 crores relating to the period March 12 to March 16 and March 12 to March 15 respectively) on Secured term loans;
 - iv. Overdue Interest of ₹ 21.59 Crores relating to the period September 12 to March 17 (as at March 31, 2016 ₹ 17.18 Crores and as at April 01, 2015 ₹ 7.40 crores relating to the period September 12 to March 16 and September 12 to March 15 respectively) on Unsecured term loans;
 - v. Overdue Interest of ₹ 31.46 Crores relating to the period June 12 to March 17 (as at March 31, 2016 ₹ 26.47 Crores and as at April 01, 2015 ₹ 21.40 Crores relating to the period June 12 to March 16 and June 12 to March 15 respectively) on 7% Cumulative Convertible Debentures.

27. OTHER CURRENT LIABILITIES

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Advance from customers and unearned income	5.59	17.29	17.16
Unearned Revenue	27.08	23.16	23.04
Withholding and other taxes payable	8.11	9.50	12.12
Others	0.02	0.02	0.02
Total	40.80	49.97	52.34

28. PROVISIONS

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Provision for Employee Benefits			
Gratuity	0.02	NIL	0.49
Leave Encashment	0.06	0.04	0.12
Total	0.08	0.04	0.61

29. REVENUE FROM OPERATIONS

₹ Crores

Particulars	31 March 2017	31 March 2016
Sale of products		
Telecom Products	4.91	40.97
Sale of Services		
Telecom Network Services	563.67	596.66
Energy Management and Operation Maintenance	1,053.20	1,045.56
Telecom Turnkey Projects	14.48	NIL
Total	1,636.26	1,683.19

30. OTHER INCOME

₹ Crores

Particulars	31 March 2017	31 March 2016
Interest income		
Bank Deposits	1.65	1.58
Others	8.14	4.50
Gain on foreign currency transactions (Net)	17.82	19.62
Profit on sale of current investments	NIL	2.19
Profit on sale of Fixed Assets (Net)	0.35	0.23
Lease and rent income	3.22	2.73
Other non-operating income	6.24	8.95
Total	37.42	39.80

31. COST OF PURCHASES / SERVICES RENDERED

₹ Crores

Particulars	31 March 2017	31 March 2016
Cost of Purchases		
Purchase of Stock-in-Trade	4.54	38.28
Cost of Services rendered		
Electricity and Diesel cost for Energy Management	304.12	527.17
Sub-Contractor Charges	855.24	681.32
Vehicle Hire Charges	26.16	29.44
	1,185.52	1,237.93
Total	1,190.06	1,276.21

32. CHANGES IN INVENTORIES OF STOCK-IN- TRADE

₹ Crores

Particulars	31 March 2017	31 March 2016
Work-in-Progress	2.01	(7.96)
Stock-in-trade	(0.56)	89.67
Consumables	(5.94)	3.30
Total	(4.49)	85.01

33. EMPLOYEE BENEFITS EXPENSES

₹ Crores

Particulars	31 March 2017	31 March 2016
Salaries, wages and bonus	103.46	127.90
Contribution to provident and other funds	3.03	3.19
Staff welfare expense	4.00	8.18
Outsourced Manpower Cost	88.68	81.24
Total	199.17	220.51

34. FINANCE COSTS

₹ Crores

Particulars	31 March 2017	31 March 2016
Interest		
– On fixed period loan	590.99	568.44
– On OCPS	12.70	11.46
– Others	2.00	3.03
Exchange difference to the extent considered as an adjustment to borrowing cost	NIL	26.59
Total finance cost	605.69	609.52

35. DEPRECIATION AND AMORTIZATION EXPENSES

₹ Crores

Particulars	31 March 2017	31 March 2016
Depreciation of tangible assets (note 3)	49.89	100.51
Amortization of intangible assets (note 5)	0.05	0.29
Depreciation on Investment Properties (note 4)	0.06	0.05
Total	50.00	100.85

36. OTHER EXPENSES

₹ Crores

Particulars	31 March 2017	31 March 2016
Communication Expenses	2.51	3.49
Advertisement Expenses	0.68	0.09
Business Promotion Expenses	3.99	6.37
Rates & Taxes	0.80	0.76
Rent	5.83	7.14
Electricity Charges	2.25	2.64
Insurance	1.09	1.89
Legal and Professional Fees	30.89	21.65
Travelling & Conveyance Expenses	5.55	9.49
Director's Sitting Fees	0.72	0.27
Auditor's Remuneration	0.82	0.82
Repairs & Maintenance - Others	2.43	2.77
Allowance for credit losses - Trade Receivables	53.82	348.92
Allowance for credit losses- Other Receivables (refer note 36.1)	201.96	45.76
Other Expenses	26.29	41.52
Total	339.63	493.58

36.1 Includes ₹ 43.83 Crores (₹ NIL Crores) towards receivable of distribution franchisee business.

37. EXCEPTIONAL ITEMS

₹ Crores

Particulars	31 March 2017	31 March 2016
Expected Credit loss - Advance to supplier (refer note 8.1)	NIL	(820.07)
Fixed assets written off	NIL	(67.66)
Impairment loss on Investment in Associates and Affiliates recognised base on investee companies ability to fulfill its financial obligations	NIL	(700.17)
Total	NIL	(1,587.90)

38. DISCONTINUED OPERATIONS

The Discontinued operations consist of discontinuation of Power EPC business by the Parent Company and Sale of one of Step down subsidiaries in the previous year.

i) **The results of discontinued operations are presented below :**

₹ Crores

Particulars	31 March 2017	31 March 2016
Revenue	NIL	23.96
Other Income	NIL	78.99
Total Income	NIL	102.95
Expenses		
Cost of Purchases/Services	NIL	8.71
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	NIL	2.33
Employee benefits expenses	NIL	10.61
Finance costs	NIL	0.49
Depreciation and amortization expense	NIL	2.25
Other expenses	NIL	27.13
Total Expenses	NIL	51.52

₹ Crores

Particulars	31 March 2017	31 March 2016
Profit / (Loss) before exceptional and extraordinary items and tax	NIL	51.43
Exceptional Items	NIL	(90.61)
Profit/(loss) before tax from a discontinued operation	NIL	(39.18)
Tax (expenses)/income:		
Current tax	NIL	NIL
Deferred tax	NIL	18.84
Total	NIL	18.84
Profit/(loss) for the year from a discontinued operation	NIL	(58.02)

ii) For carrying amount of assets and liabilities pertaining to discontinued operations refer note 18.1.

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

₹ Crores

Particulars	31 March 2017	31 March 2016
Operating	NIL	(29.73)
Investing	NIL	0.11
Financing	NIL	NIL
Net cash (outflow)/inflow	NIL	(29.62)

iv) **Earnings per share:**

₹ Crores

Particulars	31 March 2017	31 March 2016
Basic, profit/(loss) for the year from discontinued operation	NIL	(3.69)
Diluted, profit/(loss) for the year from discontinued operation	NIL	(3.69)

39. EARNINGS PER SHARE (EPS)

₹ Crores

Particulars	31 March 2017	31 March 2016
Loss after tax:		
Continuing operations	(993.79)	(2,809.59)
Add :		
Dividend payable on cumulative Preference Shares	(0.07)	(0.07)
Tax on cumulative Preference Dividend payable	(0.01)	(0.01)
Loss attributable to equity holders of continuing operations for basic earnings	(993.87)	(2,809.67)
Loss attributable to equity holders of discontinued operations for basic earnings	NIL	(58.02)
Loss attributable to equity holders total operations for basic earnings	(993.87)	(2,867.69)
Weighted average number of Equity shares for basic EPS	15.73	15.73
Weighted average earnings per share (basic and diluted) (continuing operations)	(63.18)	(178.62)
Weighted average earnings per share (basic and diluted) (discontinued operations)	NIL	(3.69)
Weighted average earnings per share (basic and diluted) (total operations)	(63.18)	(182.31)

39.1. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

39.2. There were no potentially dilutive equity shares which would have been outstanding as at the year end

40. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Parent Company's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Parent Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Parent Company based its assumptions and estimates on parameters available when the Consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Parent Company. Such changes are reflected in the assumptions when they occur.

The Management believes that the judgments and estimates used in preparation of financial statement are prudent and reasonable.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 44 for further disclosures.

Allowances for credit loss on Trade Receivable , Advance to supplier and other receivable

The Provision for allowances for credit loss for Trade Receivable , Advance to supplier and other receivable are based on assumptions about the risk of defaults and expected credit loss. The Group uses judgment in making these assumption and selecting the inputs to the calculation of provision for allowance based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Provisions for impairment loss on Investment

Provisions for impairment loss on Investment is based on evaluation of financial position of investee companies to meet their obligations for honouring their commitments towards the investment held by the Group.

41. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**a) Defined Benefit Plan**

In case of Parent Company, the employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as

giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognized in same manner as gratuity.

In case of Parent Company's wholly owned International Subsidiaries Including step down subsidiaries except for GTL Overseas Middle East JLT, separate provision for gratuity and Compensated absences is not required as the same accrues to the employees on year to year basis and accordingly gets provided. As regards the GTL Overseas Middle East JLT, the present value of obligation in respect of gratuity and compensated absences 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.

Based on actuarial valuation obtained as at the Balance Sheet date the following table sets out the details of Defined Benefit obligation.

1. **Movement in obligation - Gratuity**

₹ Crores

Particulars	31 March 2017	31 March 2016
Defined Benefit Obligation at beginning of the period	9.55	10.27
Current service cost	0.45	3.32
Interest cost	0.38	0.46
Benefits paid	(1.03)	(4.76)
Actuarial changes arising from changes in financial assumptions	0.31	(0.02)
Experience adjustments	0.13	0.03
Exchange variance	NIL	0.25
Transfer to Accrued salary and Benefit	(4.81)	NIL
Defined Benefit Obligation at end of the period	4.98	9.55

2. **Movement in Plan Assets - Gratuity**

₹ Crores

Particulars	31 March 2017	31 March 2016
Fair value of plan assets at beginning of year	4.75	5.20
Expected return on plan assets	0.38	0.42
Employer contributions	0.81	1.11
Benefits paid	(1.02)	(1.94)
Actuarial gain / (loss)	(0.02)	(0.04)
Fair value of plan assets at end of year	4.90	4.75
Present value of obligation	4.89	4.70
Net funded status of plan	(0.01)	(0.05)
Actual return on plan assets	0.36	0.38

3. **Recognised in profit and loss**

₹ Crores

Particulars	31 March 2017	31 March 2016
Current Service cost	0.45	3.32
Interest cost	(0.00)	0.04
Total	0.45	3.36
Actual return on plan assets	0.36	0.38

4. Recognised in Other Comprehensive Income

₹ Crores

Particulars	31 March 2017	31 March 2016
Remeasurement - Actuarial loss/(gain)	0.51	0.04
Return on plan assets, excluding Interest Income	0.02	0.04
Total	0.53	0.08

5. The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

₹ Crores

Particulars	Parent Company		International Subsidiary	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Weighted average actuarial assumptions				
Attrition rate	2.00%	2.00%	2.00%	2.00%
Discount Rate	7.29%	8.04%	6.82%	7.99%
Expected Rate of increase in salary	5.50%	5.50%	10.00%	10.00%
Expected Rate of Return on Plan Assets	7.29%	8.04%	NA	NA
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	15 Years	15 Years	9 Years	12 Years

6. Sensitivity analysis:

Particulars	Changes in Assumption	31 March 2017	31 March 2016
		₹ Crores	₹ Crores
Discount rate	+1%	(0.40)	(0.36)
	-1%	0.46	0.42
Salary Growth rate	+1%	0.47	0.42
	-1%	(0.41)	(0.38)
Withdrawal Rate	+1%	0.05	0.07
	-1%	(0.05)	(0.08)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

7. History of experience adjustments is as follows:

₹ Crores

Particulars	31 March 2017	31 March 2016
Plan Liabilities - (loss)/gain	0.13	0.03
Plan Assets - (loss)/gain	(0.02)	(0.04)

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	₹ Crores
01 Apr 2017 to 31 Mar 2018	0.36
01 Apr 2018 to 31 Mar 2019	0.13
01 Apr 2019 to 31 Mar 2020	0.29
01 Apr 2020 to 31 Mar 2021	0.35
01 Apr 2021 to 31 Mar 2022	0.22
01 Apr 2022 Onwards	2.54

8. Statement of Employee benefit provision

₹ Crores

Particulars	31 March 2017	31 March 2016
Gratuity	0.09	5.24
Leave encashment	0.79	1.19
Total	0.88	6.43

42. COMMITMENTS AND CONTINGENCIES

a. Leases

Operating lease commitments — Group as lessee

The Group's lease agreements are in respect of operating lease for office premises, guesthouses, 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 ₹ 5.83 Crores (₹ 7.14 Crores.).

The lease obligations due within next five-years are ₹ 8.75 Crores. (₹ 12.47 Crores.). Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Within one year	3.47	6.30	8.24
After one year but not more than five years	5.28	6.16	15.34
More than five years	NIL	NIL	NIL
Total	8.75	12.46	23.58

b. Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for:

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
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.)	NIL	NIL	1.24

(ii) Other Commitments

- GTL Infrastructure Ltd (GIL) is an associate of the Parent Company. The Parent Company's equity shareholding in GIL as at Balance Sheet date is 14.05% . As a promoter of GIL, the Parent Company has furnished following undertakings in respect of credit facilities of ₹ 2,004.45 Crore then sanctioned by various lending institutions for GIL's second phase project of setting up of telecom sites.

- i. The Parent Company along with Global Holding Corporation Private Limited (GHC), an associate, shall not reduce the shareholding in GIL below 26%. The Parent Company shall retain the management control of GIL.
 - ii. The Parent Company shall bring or arrange Equity/ Preference Capital as envisaged by Phase II lenders
 - iii. In case of cost overrun or shortfall, the Parent 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 Parent Company shall ensure that GIL will not abandon the Project during the currency of Phase II loans.
 - v. The Parent Company shall ensure that GIL is provided with requisite technical, financial and managerial expertise to perform / discharge its obligation under the project.
- b) Chennai Network Infrastructure Limited (CNIL) is an associate of the Parent Company. The Parent Company's equity shareholding as at March 31, 2017 is 25.79% . As sponsors to CNIL, the Parent Company along with its associates Global Holding Corporation Private Limited and GTL Infrastructure Limited have agreed to hold and maintain at least 26% holding 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.
- c) The CDR lenders of the Parent Company have right to re-compense in respect of relief extended and sacrifices made by them of ₹ 555.87 Crore as per Master Restructuring Agreement (MRA). Such right is exercisable by CDR lenders based on criteria's/ conditions as detailed in MRA

c. Contingent liabilities

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Claims against the Company not acknowledged as debts (refer note 42.C.1)	2,104.03	321.63	321.43
Put option by IFCL on optionally convertible loan of GRNL (including interest accrued thereon of ₹ 71.04 crores) (FY 15-16 ₹ 51.04 Crores and FY 14-15 ₹ 37.54 Crores) (refer note 42.C.2)	171.04	151.04	137.54
Guarantees given by Banks on behalf of the Company	44.78	45.18	65.75
Performance Guarantees issued to banks on behalf of Subsidiaries / Associates and Affiliates	5.00	5.00	5.00
Corporate Guarantees given by the Company for loans taken by others	24.90	425.00	425.00
Disputed Sales tax liabilities for which appeals are pending (Amount deposited ₹ 1.94 Crores (FY 15-16 ₹ 1.99 Crores and FY 14-15 ₹ 0.91 Crores)	61.08	9.65	11.31
Disputed Income tax liabilities for which appeals are pending	10.56	10.96	12.02
Disputed Service Tax liabilities for which appeals are pending (Amount deposited / adjusted ₹ 0.97 Crores (FY 15-16 NIL and FY 14-15 NIL)	17.35	NIL	NIL
Dividend on 0.01% Non-Participative Optionally Convertible Cumulative Preference Share	0.30	0.23	0.16

Future cash outflows in respect of vi, vii and viii matters are determinable only on receipt of judgments or decisions pending at various forum. The Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required in respect of above liability.

42.C.1. Claims against the Parent Company not acknowledged as debts

As on March 31, 2017, there were 33 cases against the Parent Company, pending in various Courts and other Dispute Redressal Forums.

- i) In 8 out of 32 cases, the Parent Company has been implicated as proforma defendant i.e. there is no monetary claim against the Parent 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 Parent 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 Parent 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 Parent Company on account of the said 8 cases.
- ii) Out of the balance 24 cases, 13 cases are from its earlier power business, 7 cases are from telecom related businesses and 1 case is in respect of non-allotment / non-refund of money in its IPO, which are being handled by the Parent 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 Parent Company is resisting and defending these claims. In another case, SBI Mauritius has filed commercial suit against the Parent Company in the Hon'ble Bombay High Court in respect of the Parent Company's comfort letter issued in favour of one of its Wholly Owned Subsidiaries (WOS) towards WOS's credit facilities. The contingent liability of these 23 cases is ₹ 320.90 Crores
- iii) Holder of NCD issued by the Parent company has filed winding up petition against the Parent Company before Hon'ble High Court of Bombay on January 22, 2015 inter- alia claiming recovery of dues of ₹ 1,858.46 crores. Contingent Liability of ₹ 98.09 Crores represents difference between amount claimed by NCD holders and amount accounted by the Parent Company in the books as on 30th September, 2014 of ₹ 1,760.37 crores based on the amended terms on 22nd March, 2014. Presently the matter is sub-judice.
- iv) In the balance one case, the Department of Telecom (DOT) has raised a frivolous demand of ₹1506.04 Crores based on Adjusted Gross Revenue defined in one of the judgments of the Hon'ble Supreme Court for ISP license fee pertaining to the business carried out by the Parent Company well before the year 2009 and the relevant ISP license was surrendered to DOT in 2009 for which DOT had issued a no-dues certificate in November 2010. The Parent Company is contesting this demand in an appropriate forum.
- v) Claim of ₹ 179.00 Crores from Global Holding Corporation, an associate of the Parent Company towards loss occurred to the associate on account of invocation by lender of share investment held by the associate in the Parent Company which was offered as pledge for the credit facility availed by the Parent Company.

42.C.2. The put option given by the Parent Company in respect of Optionally Convertible Loan (OCL) of ₹ 100.00 Crores raised by Global Rural Netco Ltd. one of its associates from a Financial Institution has been exercised by the said Institution. It has also filed winding up petition against the Parent Company & Company's associate which is yet to be admitted. The Parent Company's associate has approached the said financial institution to work out possible solutions. The Parent Company, as per the terms and conditions of Master Restructuring Agreement (MRA), has not received prior approval of CDR Lenders / CDR EG for accepting liability under put option. The Parent Company, therefore, continues to treat liability under put option (including interest accrued as at March 31, 2017 of ₹ 71.04 Crores) as a "Contingent Liability"

d. Movement in provisions

Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets:-

₹ Crores

Particulars	31 March 2017	31 March 2016
Compensated Absences at beginning of the period	1.19	1.51
Addition	0.06	0.36
Benefits paid	(0.46)	(0.68)
Compensated Absences at end of the period	0.79	1.19

43. 1. Related Parties

A Associates

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

B Key Managerial Personnel

- a) Mr. Manoj Tirodkar, Chairman and Managing Director
- b) Mr. Sunil S. Valavalkar – Whole Time Director
- c) Mr. Vidyadhar Apte, Company Secretary
- d) Mr. Milind Bapat, Chief Financial Officer

43. 2. Related Party Disclosures - Transactions With Related Party

₹ Crores

Sr. No.	Party Name	Year	Closing Balance as on 31-Mar-2017						
			Deposit Received	Receivable towards Bank claim paid by the Company	Receivables	Receivables towards Reimbursable cost / expense	Advance received / Accrued Receivables	Accrued Expenses	Payables (incl. Advance received)
1	Associates								
1a	GTL Infrastructure Limited	31-Mar-17	2.16	NIL	27.78	1.36	NIL	19.70	3.78
		31-Mar-16	2.16	NIL	19.63	1.60	27.25	1.32	3.81
		01-Apr-15	2.16	NIL	7.63	1.07	28.13	14.08	0.37
1b	Global Rural Netco Pvt. Ltd.	31-Mar-17	NIL	NIL	5.13	2.15	26.54	NIL	NIL
		31-Mar-16	NIL	NIL	5.13	2.20	26.54	NIL	NIL
		01-Apr-15	NIL	NIL	5.13	2.11	22.42	NIL	NIL
1c	Chennai Network Infrastructure Ltd.	31-Mar-17	NIL	NIL	2.88	NIL	NIL	35.92	27.43
		31-Mar-16	NIL	NIL	8.26	NIL	22.05	10.09	20.86
		01-Apr-15	NIL	NIL	16.99	0.01	21.65	27.40	0.52
1d	Global Holding Corporation Private Limited	31-Mar-17	NIL	NIL	NIL	0.26	NIL	NIL	NIL
		31-Mar-16	NIL	NIL	NIL	0.26	NIL	NIL	NIL
		01-Apr-15	NIL	NIL	NIL	0.25	NIL	NIL	NIL

43.2.1 The Above amounts with respect to advances & debtors are before making allowances for credit loss.

43.2.2 Claim from Global Holding Corporation Pvt.Ltd. an associate of Parent Company of ₹ 179 Crores which is not acknowledged as debt is considered in “Contingent liability” and hence not shown in the above Statement.

43.2.3 Terms and conditions of transactions with related parties

The credit period towards sale to related parties are in line with other external customers. The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided to or received from any related party with respect to receivables or payables. For the year ended 31 March 2017, the Parent Company has provided impairment loss against amount due from related parties and the impairment provision as at March 31, 2017 is ₹ 34.03 Crores (31 March 2016: ₹ 34.03 Crores, 1 April 2015: ₹ 0.25 Crores). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

43. 3. Related Party Disclosures - Transactions With Related Party

₹ Crores

Sr. No.	Party Name	Year	Transaction during the year April 2016 to March 2017										
			Sales & Services	Reimbursement Expenses from	Reimbursement Expenses to	Interest Income	Rent received	Advance received	Advance repaid	Purchase of Property, plant & machinery	Sale of Property, plant & machinery	Short Term Employee benefits	Post Employee benefits
1	Associates												
1a	GTL Infrastructure Limited	31-Mar-17	337.50	1.16	76.48	NIL	2.54	NIL	NIL	NIL	0.05	NA	NA
		31-Mar-16	352.11	2.40	115.50	NIL	2.51	NIL	NIL	0.10	0.12	NA	NA
1b	Global Rural Netco Pvt. Ltd.	31-Mar-17	NIL	0.05	0.00	NIL	0.07	NIL	NIL	NIL	NIL	NA	NA
		31-Mar-16	NIL	0.15	0.85	4.11	0.20	NIL	NIL	NIL	0.00	NA	NA
1c	Chennai Network Infrastructure Ltd.	31-Mar-17	286.49	0.11	113.07	NIL	NIL	20.00	20.00	NIL	NIL	NA	NA
		31-Mar-16	289.15	0.09	183.94	NIL	0.01	NIL	NIL	NIL	NIL	NA	NA
1d	Global Holding Corporation Private Limited	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	Key Managerial Personnel												
2a	Mr. Manoj Tirodkar	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.59	0.03
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.43	0.02
2b	Mr. Sunil S. Valavalkar	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.14	0.01
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.14	0.01
2c	Mr. Vidyadhar Apte	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1.05	0.02
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.72	0.02
2d	Mr. Milind Bapat	31-Mar-17	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1.02	0.02
		31-Mar-16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.72	0.02

43.3.1 The sales to and purchases from related parties are made on terms equivalent to those that prevail for arm's length transactions.

43.3.2 The amounts disclosed in the table related to key management personnel are the amounts recognised as an expense during the reporting period.

43.3.3 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

43. 4. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary and associates

Name of the entity		Net Assets i.e. Total Assets minus Total Liabilities		Share of 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)	45%	(2,696.38)	53%	(522.82)
Subsidiaries					
Indian					
ADA Cellworks Wireless Engineering Pvt. Ltd.	(B)	0%	(0.33)	0%	(0.03)
Foreign					
International Global Tele-Systems Limited		17%	(1,042.09)	18%	(176.07)
GTL International Limited		8%	(435.17)	1%	(13.15)
Total of foreign subsidiaries	(C)	25%	(1,477.26)	19%	(189.22)
Total of subsidiaries	(D)=(B+C)	25%	(1,477.59)	19%	(189.25)
Minority Interest of subsidiaries					
GTL Saudi Arabia Company Limited	(F)	0%	0.17	0%	(0.91)
Share of loss in associates	(G)	30%	(1,794.74)	28%	(281.40)
Total consolidated assets minus liabilities	(H) = (A+D+F+G)		(5,968.54)		(994.38)

Associates	Percentage of loss	Investment Amount	Basis of accounting of investment
Indian			
GTL Infrastructure Limited	NA	-	Equity method
Chennai Network Infrastructure Limited	6.97%	416.13	Equity method
Global Rural Netco Limited	NA	-	Equity method

43.5 Salient features of Financial Statements of Subsidiaries and Associates as per Companies Act, 2013

Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary Company	Curr.	Year Ending	Exchange Rate Bal. Sheet	Exchange Rate P&L	Capital	Reserves	Total Liabilities	Total Assets	Investment	Turnover	PBT	Provision for tax	Profit after tax	Proposed Dividend	% shareholding
Operating Companies:																
A	ADA Cellworks Wireless Engineering Pvt. Ltd.	INR	31 March	1,000	1,000	0.09	1.22	1.33	1.33	NIL	NIL	(0.03)	NIL	(0.03)	NIL	100%
B	International Global Tele-Systems Ltd.	USD	31 December	67,905	67,411	487.30	1,083.00	114.43	114.43	NIL	NIL	(176.81)	NIL	(176.81)	NIL	100%
C	GTL International Ltd.	USD	31 December	67,905	67,411	54.32	(149.30)	326.88	326.88	NIL	6.01	(32.75)	NIL	(32.75)	NIL	100%
C.1	GTL (Singapore) Pte Ltd.	USD	31 December	67,905	67,411	2.04	46.21	48.94	48.94	NIL	21.82	24.28	0.83	23.45	NIL	100%
C.2	GTL Overseas (Middle East) DMCC	AED	31 December	18,604	18,469	0.09	(18.89)	6.54	6.54	NIL	17.63	(3.62)	NIL	(3.62)	NIL	100%
C.3	GTL Europe Ltd.	GBP	31 December	83,384	86,276	4.17	2.90	63.79	63.79	NIL	211.14	15.64	3.17	12.48	14.67	100%
C.4	GTL Nepal Pvt. Ltd.	NPR	31 December	0.637	0.632	1.24	12.49	53.12	53.12	NIL	62.64	13.67	3.39	10.28	18.82	100%
C.5	iGTL Myanmar Limited	MMK	31 March	19,727	19,872	1.18	9.50	39.95	39.95	NIL	109.16	9.11	2.28	6.83	5.19	100%

In view of being dormant operations of step down subsidiary in Kenya, Tanzania, Indonesia, Bangladesh, Saudi Arabia and Philippines were discontinued / liquidation / under process of liquidation.

Part “B” : Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

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)	Loss for the year including Share in other comprehensive income of associates		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-17	345,763,466	591.55	14.05%	(200.74)	NIL (Refer Note D)	NIL	Note - A	NA
2	Global Rural Netco Pvt. Ltd	31-Mar-16	75,000,000	75.00	42.86%	(164.38)	NIL (Refer Note D)	NIL	Note - B	NA
3	Chennai Network Infrastructure Ltd.	31-Mar-17	1,700,742,399	1,637.48	25.79%	251.09	(281.40)	NIL	Note - B	NA

Note:

- A In earlier years, the Parent Company's holding GTL Infrastructure Limited (GIL) was more than 20% and on account of percentage holding GIL became the Parent Company's associates and continues to be an associates
- B There is significant influence due to percentage (%) holding in associates
- C On adoption of IND AS effective 1 April, 2015, the share of loss attributable to the Company in its associates GIL and CNIL is accounted in terms of Ind AS 28. The Share in loss upto 31 March 31, 2015 of ₹ 591.55 Crores in GTL Infrastructure Limited and ₹ 939.95 Crores in Chennai Network Infrastructure Limited has been adjusted against retained earnings.
- D. The Share in loss in associates GIL and Global Rural Netco Pvt. Ltd. stands recognised to the extent of investment held in those associates.

44. FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments

₹ Crores

Particulars	Carrying value			Fair value		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Financial assets						
FVTPL financial investments						
Investment in Preference Shares - Associates						
Global Rural Netco Ltd.	-	-	200.00	200.00	200.00	200.00
Investment in Preference Shares - Others						
European Projects and Aviation Ltd	-	-	111.65	111.65	111.65	111.65
Global Proserv Ltd	-	-	100.24	100.24	100.24	100.24
City Windsor Ltd.	-	-	80.17	80.17	80.17	80.17
Investment in Debentures - Associates						
Global Rural Netco Ltd	-	-	150.00	150.00	150.00	150.00
Investment in units of Mutual Funds (refer note 44.1)	NA	NA	21.61	NA	NA	21.61
Investment in Equity Shares - Associates (net of Share of loss)						
GTL Infrastructure Ltd.	-	-	-	-	-	-
Chennai Network Infrastructure Ltd.	416.13	697.53	826.02	416.13	697.53	826.02
Global Rural Netco Ltd.	-	-	17.63	-	-	17.63
Investment in Equity Shares - Others						
European Projects and Aviation Ltd.	-	-	53.81	-	-	53.81
Financial assets designated at amortised cost						
Non-current assets (refer note 44.2)						
Loans	7.45	10.32	7.67	7.45	10.32	7.67
Other	643.99	730.81	1,534.93	643.99	730.81	1,534.93
Current assets (refer note 44.2)						
Trade receivables	196.49	212.44	550.83	196.49	212.44	550.83
Cash and cash equivalents	110.41	91.46	109.90	110.41	91.46	109.90
Bank balance other than included in Cash and cash equivalents above	21.20	27.40	29.44	21.20	27.40	29.44
Loans	33.21	11.11	7.77	33.21	11.11	7.77
Other	322.20	352.00	444.37	322.20	352.00	444.37
Total	1,751.08	2,133.08	4,246.04	2,393.14	2,775.14	4,246.04

₹ Crores

Particulars	Carrying value			Fair value		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
Financial liabilities designated at amortised cost						
Borrowings						
Fixed rate borrowings (refer note 44.3 & 44.4)	5,913.32	5,626.67	5,264.58	5,749.69	5,493.43	5,167.20
Fixed rate borrowings - International Subsidiaries (refer note 44.3 & 44.4)	557.04	569.39	546.54	557.04	569.39	546.54
0.01% Non-Participating Optionally Convertible Cumulative Preference Shares (OCPS)(refer note 44.3)	127.08	114.39	102.93	128.72	115.73	103.80
Trade payables (refer note 44.2)	219.74	198.19	202.73	219.74	198.19	202.73
Other Financial Liabilities (refer note 44.2)	1,044.91	844.45	711.59	1,044.91	844.45	711.59
Total	7,862.09	7,353.09	6,828.37	7,700.10	7,221.19	6,731.86

44.1 The fair values of Investment in mutual funds are based on NAVs available at the reporting date. The fair values of unquoted investments in preference shares / Debentures are valued by discounting future cash inflows using rates currently available for debt on similar terms, credit risk and remaining maturities.

44.2 The management assessed that trade receivables, cash and bank balances, loans, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

44.3 The fair values of the Group's fixed interest-bearing borrowings and loans is determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at 31 March 2017 was assessed to be insignificant as borrowing are fixed interest bearings.

44.4 The fair values of embedded derivatives in the financial instruments like CDR Loans is determined by using DCF method using WACC as at the end of the reporting period. Long-term growth rate for cash flows for subsequent years have also been given due weightage. The fair value of derivatives is assessed to be nil hence the quantitative information is not disclosed.

45. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:			
FVTPL financial investments (Note 44):			
Investment in Preference Shares - Associates			
Global Rural Netco Ltd.			NIL

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Investment in Preference Shares - Others			
European Projects and Aviation Ltd			NIL
Global Proserv Ltd			NIL
City Windsor Ltd.			NIL
Investment in Debentures - Associates			
Global Rural Netco Ltd			NIL
Investment in units of Mutual Funds	NA		
Investment in Equity Shares - Associates			
GTL Infrastructure Ltd.		-	
Chennai Network Infrastructure Ltd.			416.13
Global Rural Netco Ltd.			-
Investment in Equity Shares - Others			
European Projects and Aviation Ltd.			-
Assets for which fair values are disclosed :			
Investment properties (Refer note 4.3)			
Office properties		40.55	

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Liabilities for which fair values are disclosed (Note 44):			
Borrowings (Note 44):			
Fixed Interest bearing Loans		5,749.69	
Fixed Interest bearing Loans - intl		557.04	
Convertible preference shares		128.72	

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:			
FVTPL financial investments (Note 44):			
Investment in Preference Shares - Associates			
Global Rural Netco Ltd.			NIL
Investment in Preference Shares - Others			
European Projects and Aviation Ltd			NIL
Global Proserv Ltd			NIL
City Windsor Ltd.			-
Investment in Debentures - Associates			
Global Rural Netco Ltd			NIL
Investment in units of Mutual Funds	NA		
Investment in Equity Shares - Associates			
GTL Infrastructure Ltd.		-	
Chennai Network Infrastructure Ltd.			697.53
Global Rural Netco Ltd.			-
Investment in Equity Shares - Others			
European Projects and Aviation Ltd.			-
Assets for which fair values are disclosed :			
Investment properties (Refer note 4.3)			
Office properties		38.66	

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2016:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Liabilities for which fair values are disclosed (Note 44):			
Borrowings (Note 44):			
Fixed Interest bearing Loans		5,493.43	
Fixed Interest bearing Loans - intl		569.39	
Convertible preference shares		115.73	

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2015:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:			
FVTPL financial investments (Note 44):			
Investment in Preference Shares - Associates			
Global Rural Netco Ltd.			200.00
Investment in Preference Shares - Others			
European Projects and Aviation Ltd			111.65
Global Proserv Ltd			100.24
City Windsor Ltd			80.17
Investment in Debentures - Associates			
Global Rural Netco Ltd			150.00
Investment in units of Mutual Funds	21.61		
Investment in Equity Shares - Associates			
GTL Infrastructure Ltd.		-	
Chennai Network Infrastructure Ltd.			826.02
Global Rural Netco Ltd.			17.63
Investment in Equity Shares - Others			
European Projects and Aviation Ltd.			53.81
Assets for which fair values are disclosed :			
Investment properties (Refer note 4.3)			
Office properties		36.17	

Quantitative disclosures fair value measurement hierarchy for liabilities as at 1 April 2015:

₹ Crores

Particulars	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
Liabilities for which fair values are disclosed (Note 44):			
Borrowings (Note 44):			
Fixed Interest bearing Loans		5,167.20	
Fixed Interest bearing Loans - International Subsidiaries		546.54	
Convertible preference shares		103.80	

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finance for the Group operations. The Group's principal financial assets include investments, trade and other receivables, supplier advance and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by Risk Management Group (RMG), Investment committee and Resource committee that advises on financial risks and the appropriate financial risk governance framework for the group. The Risk Management Group, Investment committee and Resource committee provides assurance to the group senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group policies and risk objectives. It is the group policy that no trading in derivatives for speculative purposes may be undertaken. The Audit Committee of the Board and the Board of Directors review and monitor risk management and mitigation plans. The financial risks are summarised below.

46.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and deposits. As the revenues from the group's network service business is dependent on the sustainability of telecom sector, Parent Company believes that Macro - economic factor, including the growth of global economy as well as political and economic environment, have a significant direct impact on the group's business, results of operations and financial position.

46.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of financial instrument will fluctuate because of changes in market interest rates. The significant part of financial instrument which can be considered in case of the group as subject to interest rate risk are borrowings. However the Group's borrowings carry fixed interest rate and therefore the group is not exposed to significant interest rate risk.

46.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Only the parent Company is exposed to the risk of changes in foreign exchange rates and the foreign currency risk relates primarily to the External Commercial Borrowings of the parent Company. Foreign currency risk is managed by effective foreign risk management policy based on risk preception of the management.

Foreign currency sensitivity

The impact on the Group's loss before tax on account of variation in exchange rates can be on account of fluctuation in USD as the Parent Company's External Commercial borrowings liability is USD denominated liability. The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. 1% increase or decrease in USD rate will have the following impact on loss before tax :

₹ Crores

Particulars	2016-17		2015-16	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD Denominated monetary liabilities	8.90	(8.90)	8.73	(8.73)

46.4 Equity price risk

The Group's equity investment in one of its Parent Company's associates is listed and all other investments are in unlisted entities. All the investments of the Group are trade and strategic investments and therefore are not considered to be exposed or susceptible to market risk.

46.5 Commodity price risk

The group is engaged in business of providing "Network Services" comprising mainly of Operation maintenance and energy management (OME) and other network services. In OME the major component of cost are electricity

and Fuel. The variation in the price of electricity and fuel is index based i.e. additionally charged to customer. With regards to other services the contracts are cost plus margin and therefore commodity price risk is mitigated

46.6 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and defined in accordance with customer assessment. Outstanding customer receivables are regularly monitored.

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances. Individual trade receivables are written off when management deems them not to be collectible. The Group does not hold any collateral as security against these trade receivables. The contractually agreed terms effectively manage the concentration risk.

Financial assets and bank deposits

Credit risk from balances with banks is managed by the group treasury department in accordance with the established policy in this regards. The group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which its balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Group has also availed borrowings. The group does not maintain significant cash and deposit balances other than those required for its day to day operations.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as appearing in Note 8,13,14,15,16,17 and 20.

45.7 Liquidity risk

Liquidity risk is that the Group will not be able to settle or meet its obligation on time or at reasonable price. Group's principal sources of liquidity are cash flows generated from its operations.

The group continues to take various measures such as cost optimisation, improving operating efficiency to increase group's operating results and cash flows. Further more the parent Company has made a proposal for a negotiated settlement of debts which has been agreed in principle by all set of lenders. The management is of the view that upon the implementation of the parent Company's negotiated settlement proposal, the group would be in a position to meet its liabilities and continue its operations.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

₹ Crores

Particulars	On demand	More than 1 year	Total
Year ended 31/3/2017			
Borrowings (other than convertible preference shares)	13.77	NIL	13.77
Convertible preference shares	NIL	650.00	650.00
Other financial liabilities	7,504.31	NIL	7,504.31
Trade and other payables	219.74	NIL	219.74
	7,737.82	650.00	8,387.82

₹ Crores

Particulars	On demand	More than 1 year	Total
Year ended 31/3/2016			
Borrowings (other than convertible preference shares)	7.37	NIL	7.37
Convertible preference shares	NIL	650.00	650.00
Other financial liabilities	7,043.95	NIL	7,043.95
Trade and other payables	198.19	NIL	198.19
	7,249.51	650.00	7,899.51

₹ Crores

Particulars	On demand	More than 1 year	Total
As at 01/04/2015			
Borrowings (other than convertible preference shares)	16.59	NIL	16.59
Convertible preference shares	NIL	650.00	650.00
Other financial liabilities	6,533.58	NIL	6,533.58
Trade and other payables	202.73	NIL	202.73
	6,752.90	650.00	7,402.90

47. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, Securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to safeguard continuity of the business operations.

In view of slow down in telecom industry in last few years, the Group's business received a set back which resulted in incurrance of huge losses and adversely impacting the capital of the Group. For effective capital management, the Parent Company has submitted a proposal for negotiated settlement of debts and the same has been agreed in principle by all set lenders. On implementation of the above proposal for negotiated settlement, there will be substantial improvement in capital structure of the Group.

Calculation of Capital Gearing ratio:

₹ Crores

Particulars	31 March 2017	31 March 2016	1 April 2015
Equity Capital	157.30	157.30	157.30
Free Reserves	(6,909.39)	(5,943.69)	(3,058.42)
	(6,752.09)	(5,786.39)	(2,901.12)
Borrowings*	5,733.69	5,735.67	5,625.30
Liability component of compound financial instrument	127.08	114.39	102.93
	5,860.77	5,850.06	5,728.23
Capital Gearing ratio	(1.15)	(0.99)	(0.51)
Capital Gearing ratio %	(115.21)	(98.91)	(50.65)

* Fixed cost bearing funds have been included in calculation of the borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

48. FIRST-TIME ADOPTION OF IND AS

These Consolidated financial statements, for the year ended 31 March 2017, are the first financial statements of the Parent Company prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Parent Company prepared its financial statements in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 as adopted consistently by the Parent Company.

The Parent Company has prepared financial statements which comply with Ind AS applicable for year ended on 31 March 2017, together with the comparative yearly data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the consolidated opening balance sheet was prepared as at 1 April 2015, the date of transition to Ind AS. This note explains the principal adjustments made in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Parent Company has applied the following exemptions:

Optional exemptions applied:

Investment in associates:

Ind AS 101 allows a first time adopter to account for its equity investments in associates either at cost or in accordance with Ind AS 109. The Parent Company has elected to account for the said investments in associates at cost

Deemed cost of Property, Plant and Equipment, Intangible Assets and Investment Property:

Ind AS 101 allows a first time adopter to continue with the previous GAAP carrying value for all its Property, Plant and Equipment, Intangible Assets and Investment Property as recognised in its previous GAAP financials on the date of transition. Accordingly, the Parent Company has opted for this exemption and decided to carry its PPE, Intangible assets and Investment Property at Carrying value as per Indian GAAP on the date of transition i.e. 1 April, 2015.

Non-current assets held for sale and discontinued operations:

Ind AS 101 allows a first time adopter to measure such assets or operations at the lower of carrying value and fair value less cost to sell at the date of transition to Ind ASs in accordance with Ind AS 105, and recognise directly in retained earnings any difference between that amount and the carrying amount of those assets at the date of transition to Ind ASs determined under the entity's previous GAAP. Accordingly, the Parent Company has opted for this exemption and decided to carry such assets or operations at the lower of carrying value and fair value less cost to sell on the date of transition i.e. 1 April, 2015.

Mandatory exemptions applied:

Derecognition of financial assets and financial liabilities:

A first-time adopter should apply the derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition. A first-time adopter that wants to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Parent Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the transition date.

Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Parent Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Parent Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

₹ Crores

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1	244.56		244.56
Capital work-in-progress		64.30		64.30
Investment properties	1	3.28		3.28
Other Intangible assets		1.09		1.09
Financial assets				-
Investments	2, 4	3,146.15	(1,606.63)	1,539.52
Loans		7.67		7.67
Others		1,534.93		1,534.93
Deferred tax assets		19.44		19.44
Other non-current assets		0.08		0.08
		5,021.50	(1,606.63)	3,414.87
Current assets				
Inventories		98.26		98.26
Financial assets				-
Investments	3	20.81	0.80	21.61
Loans		7.77		7.77
Trade receivables		550.83		550.83
Cash and cash equivalents		109.90		109.90
Bank balances other than above		29.44		29.44
Others		552.77	(108.40)	444.37
Assets held for Sale and Discontinued Operations (Net)		43.83		43.83
Current Tax Assets (Net)		9.29		9.29
Other current assets		39.32		39.32
		1,462.22	(107.60)	1,354.62
Total assets		6,483.72	(1,714.23)	4,769.49
Equity and liabilities				
Equity				
Equity share capital		157.30		157.30
Other equity	2,3,4,6,7,8	(873.67)	(1,972.12)	(2,845.79)
Equity component of convertible preference shares	6		570.92	570.92
Total equity		(716.37)	(1,401.20)	(2,117.57)
Non-controlling interests		(0.22)		(0.22)
Non-current liabilities				
Financial liabilities				
Borrowings		650.00	(547.07)	102.93
Long term provisions		5.96		5.96
		655.96	(547.07)	108.89
Current liabilities				
Financial liabilities				
Borrowings		16.59		16.59
Trade payables		202.73		202.73
Other current financial liabilities	7,8	6,272.08	234.04	6,506.12
Other current liabilities		52.34		52.34
Provisions		0.61		0.61
		6,544.35	234.04	6,778.39
Total liabilities		7,200.31	(313.03)	6,887.28
Total equity and liabilities		6,483.72	(1,714.23)	4,769.49

Reconciliation of equity as at 31 March 2016

₹ Crores

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1	140.13		140.13
Capital work-in-progress		0.23		0.23
Investment properties	1	3.23		3.23
Other Intangible assets		0.83		0.83
Financial assets				
Investments	2, 4	2,209.90	(1,512.37)	697.53
Loans		10.32		10.32
Others		730.81		730.81
Deferred tax assets		0.07		0.07
Other non-current assets		0.07		0.07
		3,095.59	(1,512.37)	1,583.22
Current assets				
Inventories		10.92		10.92
Financial assets				
Investments		NIL	NIL	NIL
Loans		11.11		11.11
Trade receivables		212.44		212.44
Cash and cash equivalents		91.46		91.46
Bank balances other than above		27.40		27.40
Others		595.23	(243.23)	352.00
Assets held for Sale and Discontinued Operations (Net)		43.83		43.83
Current Tax Assets (Net)		15.19		15.19
Other current assets		59.40		59.40
		1,066.98	(243.23)	823.75
Total assets		4,162.57	(1,755.60)	2,406.97
Equity and liabilities				
Equity				
Equity share capital		157.30		157.30
Other equity	2,4,6,7,8	(3,824.17)	(1,906.89)	(5,731.06)
Equity component of convertible preference shares	6		570.92	570.92
Total equity		(3,666.87)	(1,335.97)	(5,002.84)
Non-controlling interests		0.31		0.31
Non-current liabilities				
Financial liabilities				
Borrowings	6	650.00	(535.61)	114.39
Long term provisions		6.36	0.03	6.39
		656.36	(535.58)	120.78
Current liabilities				
Financial liabilities				
Borrowings		7.37		7.37
Trade payables		198.19		198.19
Other current financial liabilities	7,8	6,917.20	115.95	7,033.15
Other current liabilities		49.97		49.97
Provisions		0.04		0.04
		7,172.77	115.95	7,288.72
Total liabilities		7,829.13	(419.63)	7,409.50
Total equity and liabilities		4,162.57	(1,755.60)	2,406.97

Reconciliation of profit or loss for the year ended 31 March 2016

₹ Crores

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Continuing operations				
Revenue from operations		1,683.19		1,683.19
Other income	3	40.60	(0.80)	39.80
Total Income		1,723.79	(0.80)	1,722.99
Cost of Services rendered		1,276.21		1,276.21
Changes in inventories of finished goods, stock-in-trade and work-in-progress		85.01		85.01
Employee benefits expense	5	220.56	(0.05)	220.51
Depreciation and amortization expense		100.85		100.85
Finance costs	6, 7	581.31	28.21	609.52
Other expenses		493.58		493.58
Total expense		2,757.52	28.16	2,785.68
Loss before exceptional items and tax from continuing operations		(1,033.73)	(28.96)	(1,062.69)
Less : Exceptional Items		(1,810.73)	222.84	(1,587.90)
Loss before tax from continuing operations		(2,844.46)	193.88	(2,650.59)
Tax expenses				
Adjustment of tax relating to earlier periods		10.78		10.78
Deferred tax		2.22		2.22
Loss For The Year From Continuing Operations		(2,857.47)	193.88	(2,663.59)
Less : Minority Interest		0.06		0.06
Add : Share of Profit / (Loss) in associates		(17.63)	(128.43)	(146.06)
Loss after tax expense, Share of Profit in associates and minority interest from continuing operations		(2,875.04)	65.45	(2,809.59)
Discontinued Operations				
Loss before tax for the year from discontinued operations		(39.18)		(39.18)
Tax expenses of discontinued operations		(18.84)		(18.84)
Loss for the year from discontinued operations		(58.02)	-	(58.02)
Loss for the year		(2,933.06)	65.45	(2,867.61)
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss		NIL	(0.08)	(0.08)
(ii) Income tax relating to items that will not be reclassified to profit or loss				
Sub Total				
Share in other comprehensive income of associates		NIL	(0.06)	(0.06)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		NIL	(0.14)	(0.14)
B (i) Items that will be reclassified to profit or loss		NIL	NIL	NIL
(ii) Income tax relating to items that will be reclassified to profit or loss		NIL	NIL	NIL
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		NIL	NIL	NIL
Other comprehensive income for the year, net of tax		NIL	(0.14)	(0.14)
Total Comprehensive Income for the period, net of tax		(2,933.06)	65.31	(2,867.75)

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016

1. Property, plant and equipment

Leasehold and freehold Lands having unidentified usage is evaluated under Ind AS 40 and classified as Investment Property at the date of transition to Ind AS. This has resulted into a decrease of ₹ 3.28 Crores (31 March 2016: ₹ 3.23 Crores) in property, plant and equipment and a corresponding increase in Investment property at the date of transition to Ind AS.

2. Fair value through profit and loss ("FVTPL") financial assets:

Under Indian GAAP, the Parent Company accounted for long term investments in unquoted and quoted equity shares of entities other than subsidiaries/associates, fully convertible debentures and preference shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Parent Company has classified such investments as FVTPL investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised against retained earnings. As a result, on the date of transition to Ind AS, a decrease of ₹ 222.84 Crores was recognised in Investments with a corresponding impact on retained earnings.

3. Investment in mutual funds:

Under Indian GAAP, the Parent Company accounted for current investments in Mutual funds at lower of cost and fair value determined on an individual investment basis. Under Ind AS, the Parent Company has classified such investments as FVTPL investments. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised against retained earnings. As a result, on the date of transition to Ind AS, an increase of ₹ 0.80 Crores was recognised in Current Investments with a corresponding impact on retained earnings.

4. Share of loss in associates :

In terms of Ind AS 28 Investment in Associates and joint Ventures, the Parent Company considered share in loss in its associate by using equity method. The share of loss in associates viz GTL Infrastructure Limited (GIL) and Chennai Infrastructure Limited (CNIL) as at April 01, 2015 of ₹ 1,383.79 Crores is recognised against retained earnings and for financial year 2015-16 of ₹ 128.58 Crores in Profit and Loss account.

5. Remeasurements of post-employment benefit obligations:

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under Indian GAAP, these remeasurements were forming part of the profit or loss for the year. As a result, the loss for the year ended 31 March 2016 decreased by ₹ 0.05 Crores. There is no impact on the total equity as at 31 March 2016.

6. Convertible preference shares

The Parent Company has issued optionally convertible preference shares ("OCPS"). OCPS are classified as compound financial instrument under Ind AS.

Under Ind AS, convertible preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Thus the preference share capital is reduced by ₹ 547.07 Crores (31 March 2016 ₹ 535.61 Crores) with a corresponding increase in borrowings as liability component.

Liability component is adjusted due to the difference of finance charges on the basis of effective interest rate and coupon rate. Accordingly, compound financial instrument as at 1 April 2015 have been reduced by ₹ 570.92 crores with corresponding adjustment to retained earnings. The loss for the year ended 31 March 2016 increased by ₹ 11.46 Crores as a result of the realignment of interest expense.

7. Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. Further the borrowings under CDR are fair valued on the date of restructuring and the same was considered for the purpose of amortised cost. Accordingly, borrowings under CDR as at 1 April 2015 have been reduced by ₹ 27.45 Crores with corresponding adjustment to retained earnings. The loss for the year ended 31 March 2016 increased by ₹ 16.66 Crores as a result of the realignment of interest expense.

The Liability of cumulative convertible debentures (CCD) is valued based on future expected interest payment and maturity value following amortised cost method. Accordingly, CCD liability as at 1 April 2015 has been reduced by ₹ 0.10 Crores with corresponding adjustment to retained earnings. The loss for the year ended 31 March 2016 is increased by ₹ 0.10 Crores as a result of the realignment of interest expense.

8. Financial guarantee

The Parent Company has issued the financial guarantee on behalf of one of the affiliates. The Parent Company has recognised financial guarantee obligation at fair value amounting to ₹ 370 Crores as at the date of transition and as the fair value of the corresponding investment in affiliate is ₹ Nil, the same is adjusted to retained earnings.

9. Other comprehensive income

Under Indian GAAP, the Parent Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

10. Statement of cash flows

The Ind AS impacts are either Non-cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2016 as compared with the previous GAAP.

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

Details of Investments made are provided in note no. 6. The Parent Company has not given any loans except loans to employees.

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

₹ Crores

No.	Name of the Company	As at March 31, 2017	As at March 31, 2016
1	Subsidiaries	161.88	165.39
2	Other Body Corporate	425.00	425.00

50. GOING CONCERN

In last few years, the Group has incurred cash losses, resulting in erosion of its entire net worth. The Group's current liabilities are higher than its current assets. As reported earlier, the winding-up petitions filed against the Company are currently sub-judice.

The Parent Company has made a proposal for a negotiated settlement of debts which has been agreed in principle by all the lenders. The management is of the view that upon the acceptance and implementation of the Parent Company's negotiated settlement proposal, the Group would be in a position to meet its liabilities and continue its operations. In view of the above, the Group continues to prepare its accounts on Going Concern basis.

51. DISCLOSURE OF INFORMATION AS REQUIRED BY REGULATION 34(3) OF LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS

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

₹ Crores

Name of the Company	Relationship	Outstanding As at March 31,			Maximum balance during the year		
		2017	2016	2015	2017	2016	2015
GTL International Bangladesh Pvt. Ltd.	100% subsidiary of GTL Europe Limited	10.46	10.54	10.35	10.66	10.65	10.38
GTL International Limited	100% subsidiary of GTL Limited	55.61	56.65	53.94	58.44	58.34	54.48
International Global Tele-Systems Limited	100% subsidiary of GTL Limited	221.15	225.93	213.4	234.17	233.72	215.93

Note: Increase in outstanding amount and maximum balance during the respective years is on account of exchange variation. The Company has made full provision for impairment against the said advances during the FY 2015-2016.

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

52. DETAILS OF ROUNDED OFF AMOUNTS

The financial statements are presented in ₹ in Crores. 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 Crore are as follows:

Note

₹ Crores

Description	As at		
	31-Mar-17	31-Mar-16	1-Apr-15
Loans to employees	46,077	NIL	NIL
Interest cost (Refer note 41.a.3)	(38,041)	NIL	NIL

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

54. Figures in brackets relate to the previous year unless otherwise stated.

As per our report of even date

For **M/s. Godbole Bhawe and Co.**

Chartered Accountants

FRN No.114445W

M.V. Bhawe

Partner

M.No. 38812

Mumbai, April 27, 2017

For **M/s. Yeolekar and Associates**

Chartered Accountants

FRN No. 102489W

S.S.Yeolekar

Partner

M.No. 36398

For and on behalf of the Board

Manoj G. Tirodkar

Chairman and Managing Director

Sunil S. Valavalkar

Whole Time Director

Milind Bapat

Chief Financial Officer

Vijay Vij

Director

Vidyadhar Apte

Company Secretary

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of GTL Limited will be held on Thursday, September 21, 2017, at 11:00 a.m. at Vishnudas Bhawe Natyagruha, Sector 16-A, 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, 2017, 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, 2017, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Sunil S. Valavalkar (DIN: 01799698), who retires by rotation and is eligible for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED that, pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and further to the recommendations of the Audit Committee and the Board of Directors, M/s GDA & Associates, Chartered Accountants, Pune (Firm Registration No. 135780W) be and are hereby appointed as an Auditor of the Company in place of retiring Joint Auditors M/s. Godbole Bhawe & Co., Chartered Accountants, Mumbai (Firm Registration No. 114445W) and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai (Firm Registration No. 102489W), to hold the office for a term of five years from the conclusion of this (29th) Annual General Meeting (AGM) till the conclusion of the Thirty Fourth AGM to be held in the calendar year 2022, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditor."

By Order of the Board of Directors,

Place: Mumbai
Date: August 8, 2017

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 Ext. Nos.: 2232-2235
Fax: +91-22-27689990 / 27680171
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 / authorizations submitted on behalf of body corporate, 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. As no Special Business is proposed to be transacted at the 29th AGM, an Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 has not been furnished.
4. 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) 2008-09 to the Investor Education and Protection Fund (IEPF).

Sections 124 and 125 of the Companies Act, 2013 (the Act), read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were applicable with effect from September 7, 2016, also contain similar provisions for transfer of such amounts to the IEPF. All unclaimed dividend for the FY 2009-10 will become due for transfer to the IEPF in August 2017.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account.

The Company has sent notice to all the members whose dividends are lying unpaid / unclaimed against their name for seven consecutive years or more and has also issued Demand Drafts / Pay Orders to the shareholders who have responded. Members were requested to claim unpaid / unclaimed dividend immediately, failing which necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF- 5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

Please refer to 'Unpaid / Unclaimed Dividends' in the Corporate Governance Report forming part of the Annual Report, for the due date of transfer of unclaimed dividend to the IEPF.

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of September 21, 2016 (date of last AGM) on the website of the Company as also on the website of the Ministry of Corporate Affairs.

5. 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, Maharashtra. Members holding shares in electronic form should update such details directly with their respective Depository Participants.

6. All documents referred to in the above Notice *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.
7. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted or requested modes. The Notice is being sent to all Members whose names would appear in the Register of Members as on Friday, August 18, 2017 and Directors and Auditors of the Company.
8. 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 equity shares of the Company have been paid to BSE and NSE for the FY 2017-18.

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 due to non-completion of documentation, currently, the same are suspended for trading.
9. 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.
10. In order to minimize paper cost / work, we request shareholders / investors to forward their queries pertaining to Annual Accounts and other Sections of Annual Report by e-mail to gtlshares@gtllimited.com
11. Members / Proxies are requested to bring their copy of the Annual Report to the Meeting.
12. In keeping with the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) 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

to 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.

13. Voting through electronic means:

Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, the Company is pleased to provide its members the facility to exercise their right to vote for the 29th AGM by electronic means (remote e-voting) and the business may be transacted through such 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.

14. The Members who have already cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

15. The facility for voting, either through electronic voting system or ballot paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.

16. The **instructions** for shareholders voting electronically (**remote e-voting**) are as under:

- (i) The voting period begins on Monday, September 18, 2017 at 09:00 AM and ends on Wednesday, September 20, 2017 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 of Thursday, September 14, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders.

(v) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) 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.

(viii) 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 are requested to use the first two letters of their name and the 8 digits of the voting serial number in the PAN field. In case the voting serial number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with voting serial number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)	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. • If both the details are not recorded with the depository or the Company, please enter the 16 digit member-id or folio number in the Dividend Bank details field as mentioned in instruction (v).
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- (ix) 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**” 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(s) 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) Shareholders can also cast their vote using CDSL’s **mobile app m-Voting** available for android based mobiles. The m-Voting app can be downloaded from **Google Play Store**. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **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.

- (xxi) 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.
17. The Company has appointed Mr. Virendra G. Bhatt, a Practicing Company Secretary, as the Scrutinizer for conducting the processes of the entire remote e-voting and voting at the meeting, in a fair and transparent manner.
 18. The Scrutinizer shall immediately after the conclusion of voting at the 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.
 19. The Result of the voting shall be declared on or after the AGM of the Company, but within forty eight (48) hours after the conclusion of the meeting 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.
 20. The results declared along with the Scrutinizer's Report will be hosted on the Company's website at www.gtllimited.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 equity shares of the Company are listed.
 21. The route map showing directions to reach the venue of the AGM is annexed.

By Order of the Board of Directors,

Place : Mumbai
Date : August 8, 2017

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 - 400 710.
Maharashtra, India.
Tel: +91-22-27612929 Ext. Nos.: 2232-2235
Fax: +91-22-27689990/27680171
E-mail: gtlshares@gtllimited.com
Website: www.gtllimited.com
CIN: L40300MH1987PLC045657

GTL LIMITED



Regd. Office: "Global Vision", Electronic Sadan-II, MIDC,
TTC Industrial Area, Mahape, Navi Mumbai - 400 710. MH., INDIA
Tel: +91 22 2761 2929 Extn: 2232-2235; **Fax:** +91 22 2768 9990 / 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 / PROXYHOLDER:

.....
.....
.....

PLEASE COMPLETE THIS ATTENDANCE SLIP AND
HANDOVER AT THE ENTRANCE OF THE MEETING HALL

I certify that I am a registered member / proxyholder for the registered member of the Company.

I hereby record my presence at the Twenty Ninth (29th) Annual General Meeting of the Company being held on Thursday, September 21, 2017, at 11:00 a.m. at Vishnudas Bhawe Natyagraha, Sector 16-A, Vashi, Navi Mumbai - 400 703, Maharashtra, India.

.....
Name of the attending Member / Proxyholder*

.....
Member's / Proxyholder's* Signature

* Strike out whichever is not applicable

GLOBALGroup Enterprise

GTL LIMITED



Regd. Office: "Global Vision", Electronic Sadan-II, MIDC,
TTC Industrial Area, Mahape, Navi Mumbai - 400 710. MH., INDIA
Tel: +91 22 2761 2929 Extn: 2232-2235; **Fax:** +91 22 2768 9990 / 2768 0171.
Email: gtlshares@gtllimited.com; **Website:** www.gtllimited.com; **CIN:** L40300MH1987PLC045657

FORM NO. MGT-11

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 of GTL Limited holding shares, hereby appoint,

1. Name:

Address:

E-mail Id:Signature:, or failing him

2. Name:

Address:

E-mail Id:Signature:, or failing him

3. Name:

Address:

E-mail Id:Signature:



GTL LIMITED

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty Ninth (29th) Annual General Meeting of the members of the Company, to be held on Thursday, September 21, 2017, at 11:00 a.m. at Vishnudas Bhawe Natyagruha, Sector 16-A, Vashi, Navi Mumbai - 400 703, 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, 2017 on standalone and consolidated basis and the Reports of the Board of Directors and Auditors thereon.
2. Appointment of Mr. Sunil S. Valavalkar as a Director, who retires by rotation and is eligible for reappointment.
3. Appointment of M/s GDA & Associates, Chartered Accountants, Pune as an Auditor and fixing their remuneration.

Signed this day of 2017

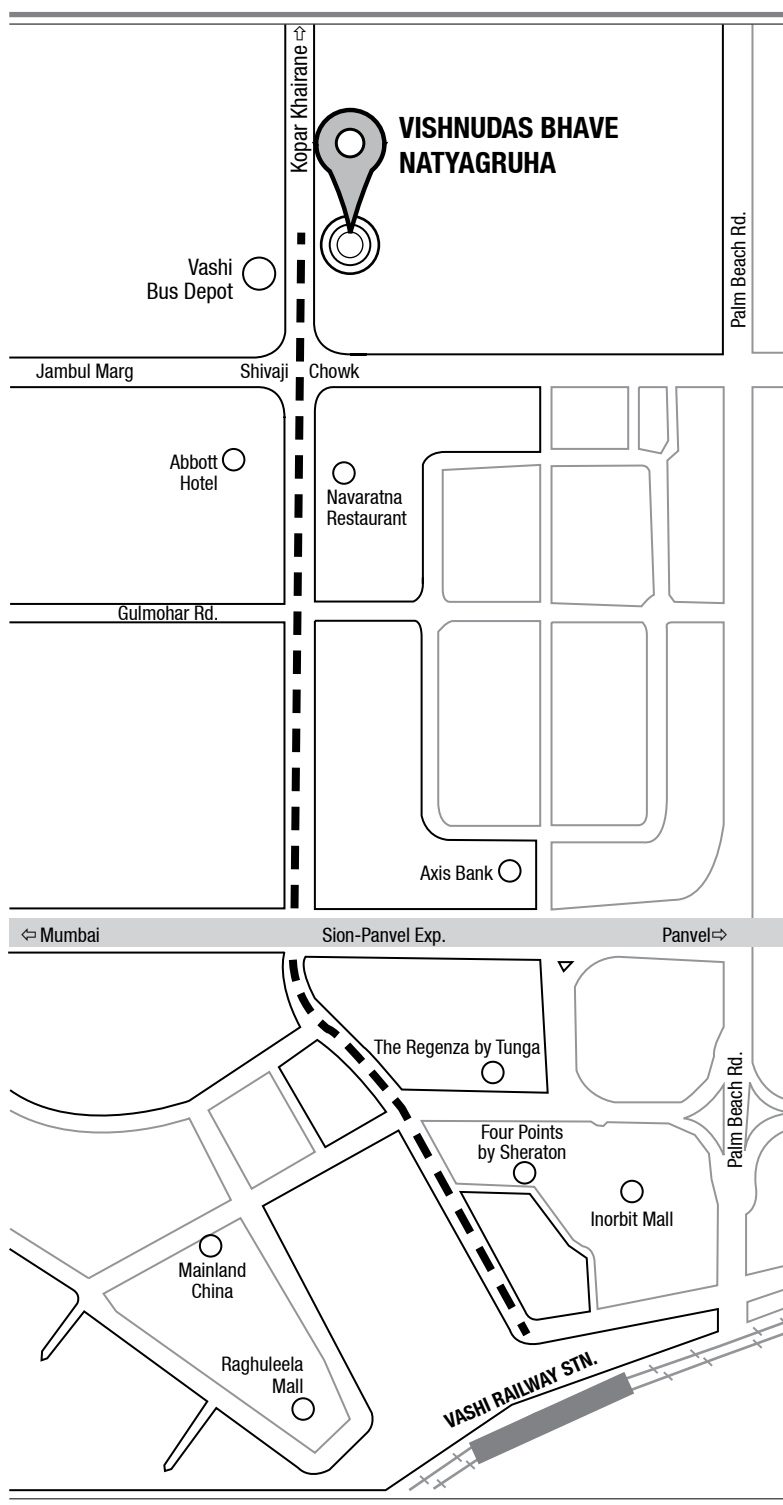
Signature of shareholder:

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 29th 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 - 400 001,
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,
Hinjawadi, Pune - 411 057,
Maharashtra, India.

www.gtllimited.com



GLOBAL Group Enterprise

GTL Limited

"Global Vision",
Electronic Sadan-II, MIDC, TTC Industrial Area,
Mahape, Navi Mumbai - 400 710, Maharashtra, India.
Tel: +91 22 2761 2929 | Fax: +91 22 2768 9990
CIN No. : L40300MH1987PLC045657

www.gtllimited.com