GTL INFRASTRUCTURE

GLOBAL Group Enterprise

MORE

TENANTS REVENUE EBITDA

&

LESS

DEBT OPERATIONAL COSTS CARBON FOOTPRINT

THE STORY OF GTL INFRA'S

TURNAROUND

14th ANNUAL REPORT 2016-17

MORE

50,845
Tenants

US$
353 Mn
Revenue

99.9%
Network Uptime

US$
173 Mn
EBITDA

LESS

- *Reduced the debt from US$ 2,054 Mn. to US$ 747 Mn.*
- *Key operating cost reduced from US$ 57 Mn. to US$ 29 Mn.*
- *Reduced CO_2 footprint*
- *Optimized Capex for improved uptime*

THE STORY OF GTL INFRA's

TURNAROUND

The Indian telecom sector is undergoing a significant transformation due to the rise in data consumption. GTL Infrastructure Limited (GTL Infra) has been an active participant in the shifting fortune of this sector and has been responsibly playing its part in taking it further ahead. While telcos are being impacted by multiple regulatory changes and pricing pressure we have renewed our focus on ensuring stability and margins for our Company, partners and stakeholders. And our efforts have borne fruits over the years.

THIS HAS BEEN LARGELY DUE TO THE ADOPTION OF THE 'MORE AND LESS' APPROACH, THROUGH WHICH WE HAVE FOCUSED ON GROWING OUR REVENUE, IMPLEMENTING COST OPTIMISATIONS, STRENGTHENING OUR RESOURCE BASE AND PROCESSES, AND REDUCING OUR LIABILITIES AND COSTS.

FINANCIAL SNAPSHOT

(In INR)

Parameter	Units	FY 2016-17	FY 2015-16	FY 2014-15	FY 2016-17	FY 2015-16	FY 2014-15
Tower tenancy parameters		GIL Standalone			Combined Entity		
Total tower count	Nos	**10,357**	**10,386**	**10,404**	**27,759**	**27,764**	**27,839**
#Unoccupied tower count	Nos	1,612	1,656	1,447	2,312	2,268	2,226
Occupied tower count	Nos	**8,745**	**8,730**	**8,957**	**25,447**	**25,496**	**25,613**
Tenants	Nos	19,713	17,495	16,316	50,845	45,197	40,261
Avg tenancy per occupied tower	Times	2.3	2.0	1.8	2.0	1.8	1.6
Financials							
Normalised EBITDA	₹ Mn.	4,454	3,805	3,238	11,216	9,915	7,801
Growth rate	%	**17%**	**18%**	**20%**	**13%**	**27%**	**5%**
Major contributors:							
Net revenue (net of taxes)	₹ Mn.	9,521	9,128	8,906	22,860	21,455	19,831
Growth rate	%	4%	2%	2%	6%	8%	1%
Cost optimisation initiatives:							
Power, fuel & maintenance charges	₹ Mn.	208	494	675	1,031	1,537	2,063
Other operating expenses-security cost	₹ Mn.	235	303	640	864	988	1,624
Total	₹ Mn.	443	797	1,315	1,896	2,525	3,687
% cost to revenue	%	**5%**	**9%**	**15%**	**8%**	**12%**	**19%**
Cash flow from operations	₹ Mn.	5,434	4,621	3,210	12,226	12,252	10,191
CAPEX	₹ Mn.	1,338	1,069	1,345	3,641	3,437	3,001
Key ratios							
Tenancy growth	%	13%	7%	0.1%	13%	12%	-0.5%
Normalised EBITDA margin	%	47%	42%	36%	49%	46%	39%
Capex/Sales	%	14%	12%	15%	16%	16%	15%
Network uptime delivered (under normal conditions)	%	99.90%	99.90%	99.90%	99.90%	99.90%	99.90%
SDR impact		Post debt conversion* (Combined)			Pre debt conversion (Combined)		
GIL equity share capital	₹ Mn.	41,520	-	-	24,600	23,360	23,250
CNIL equity share capital	₹ Mn.	94,050	-	-	65,960	65,960	65,960
Total equity share capital	₹ Mn.	135,570	-	-	-	-	-
Less: cross holdings	₹ Mn.	18,160	-	-	-	-	-
^^Net equity capital	₹ Mn.	117,410	-	-	-	-	-
~Combined secured debt (gross)	₹ Mn.	41,930	-	-	89,741	89,813	89,595
~~Combined secured debt (net)	₹ Mn.	40,105	-	-	87,917	86,949	86,606
Unsecured Debt – FCCB	₹ Mn.	6,483	-	-	14,417	14,609	13,569
Total debt	₹ Mn.	**46,588**	**-**	**-**	**102,334**	**101,557**	**100,175**
Combined secured debt/Normalised EBITDA	Times	3.58x	-	-	7.84x	8.77x	11.10x

Parameter	Units	FY 2016-17	FY 2015-16	FY 2014-15
Tower revenue parameters – Occupied Towers		Combined Entity Averages		
Sharing revenue per tower	₹	54,910	51,800	49,061
Sharing revenue per tenant/month	₹	**27,482	29,221	31,212
##EM revenue per tower/month	₹	28,982	28,146	27,492
##EM revenue per tenant/month	₹	17,092	17,139	17,207

Notes:

1. The above results and subsequent discussion refer to GTL Infrastructure Limited as 'The Company', 'GTL Infra' or 'GIL' and together with its associate Chennai Network Infrastructure Limited (CNIL) as the 'Combined Entity'
2. #The unoccupied towers are on account of cancellations of committed tenancies by certain operators on account of 2G licence cancellations and consequent scale back of services roll out due to realignment of the market, Aircel cancellation of RoFR and certain commitments
3. Financials for FY 2014-15 are based on IGAAP and FY 2015-16 and FY 2016-2017 are based on INDAS
4. *Post debt conversions part of SDR as on April 13, 2017
5. ^^ 181.6 Crore equity shares held by Tower Trust (sole beneficiary as GIL) in CNIL will stand cancelled on amalgamation between CNIL and GIL as per the provisions of the Companies Act, 2013

(In US$)

Parameter	Units	FY2016-17	FY 2015-16	FY 2014-15	FY 2016-17	FY 2015-16	FY 2014-15
Combined tower tenancy parameters		GIL Standalone			Combined Entity		
Total tower count	Nos.	**10,357**	**10,386**	**10,404**	**27,759**	**27,764**	**27,839**
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Tenants	Nos.	19,713	17,495	16,316	50,845	45,197	40,261
Avg tenancy per occupied tower	Times	2.3	2.0	1.8	2.0	1.8	1.6
Financials							
Normalised EBITDA	$ Mn.	69	59	50	173	153	120
Growth rate	%	**17%**	**18%**	**20%**	**13%**	**27%**	**5%**
Major contributors:							
Net revenue (net of taxes)	$ Mn.	147	141	137	353	331	306
Growth rate	%	4%	2%	2%	6%	8%	1%
Cost optimisation initiatives:							
Power, fuel & maintenance charges	$ Mn.	3	8	10	16	24	32
Other operating expenses- security cost	$ Mn.	4	5	10	13	15	25
Total	$ Mn.	7	12	20	29	39	57
% cost to revenue	%	**5%**	**9%**	**15%**	**8%**	**12%**	**19%**
Cash flow from operations	$ Mn.	84	71	50	189	189	157
CAPEX deployed	$ Mn.	21	16	21	56	53	46
Key ratios							
Tenancy growth	%	13%	7%	0.1%	13%	12%	-0.5%
Normalised EBITDA margin	%	47%	42%	36%	49%	46%	39%
Capex/Sales	%	14%	12%	15%	16%	16%	15%
Network uptime delivered (under normal conditions)	%	99.90%	99.90%	99.90%	99.90%	99.90%	99.90%
SDR impact		Post debt conversion* (Combined)			Pre debt conversion (Combined)		
GIL equity share capital	$ Mn.	640	-	-	379	360	359
CNIL equity share capital	$ Mn.	1,451	-	-	1,018	1,018	1,018
Total equity share capital	$ Mn.	2,091	-	-			
Less: cross holdings	$ Mn.	280	-	-			
^^Net equity capital	$ Mn.	1,811	-	-			
~Combined secured debt (gross)	$ Mn.	647	-	-	1,384	1,385	1,382
~~Combined secured debt (net)	$ Mn.	619	-	-	1,356	1,341	1,336
Unsecured Debt – FCCB	$ Mn.	100	-	-	222	225	209
Total debt	$ Mn.	**719**	**-**	**-**	**1,579**	**1,567**	**1,545**
Combined secured debt/Normalised EBITDA	Times	3.58x	-	-	7.84x	8.77x	11.10x

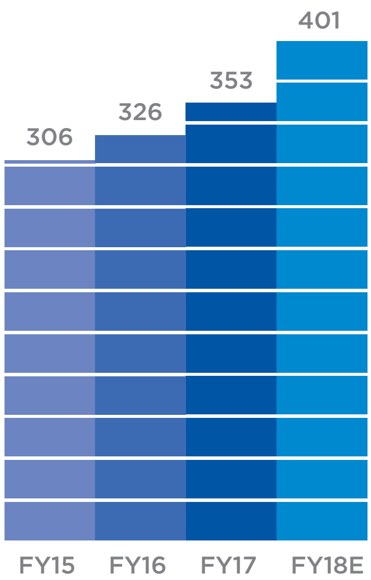
Parameter	Units	FY 2016-17	FY 2015-16	FY2014-15
Tower revenue parameters		Combined Entity Averages		
Sharing revenue per tower	$	847	799	757
Sharing revenue per tenant/month	$	424	451	481
##EM revenue per tower/month	$	447	434	424
##EM revenue per tenant/month	$	264	264	265

Note: $ = US$

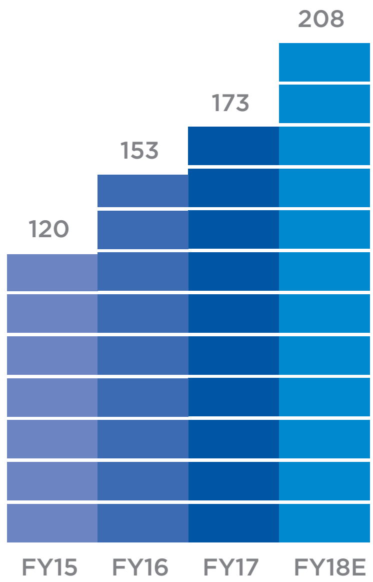
6. ** The sharing revenue per tenant in FY 2016-17 is lower in vis a vis FY 2015-16 on account of settlements entered into with Aircel and site exits by various other operators consequent to change in their respective business plans
7. For the purpose of financial analysis, the figures in rupees for the financial results referred to have been converted at a constant rate of ₹ 64.83 per US$ as on March 31, 2017 and the same rate has been applied other FY's referred in this statement
8. ##Excluding any outsourced arrangements with third parties
9. Figures for FY 2014-15 and 2015-16 have been re-grouped/re-classified wherever necessary to make them comparable with that of the FY 2016-17

KEY PERFORMANCE INDICATORS

TOTAL REVENUE
In US$ Mn.

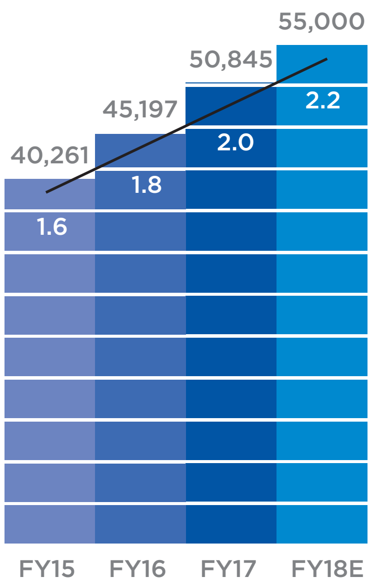


EBITDA
In US$ Mn.

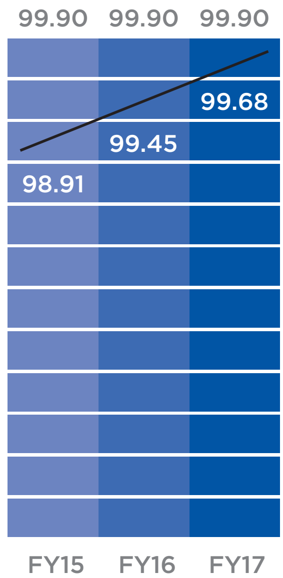


MORE

TENANTS & TENANCY RATIO
Nos. / Times

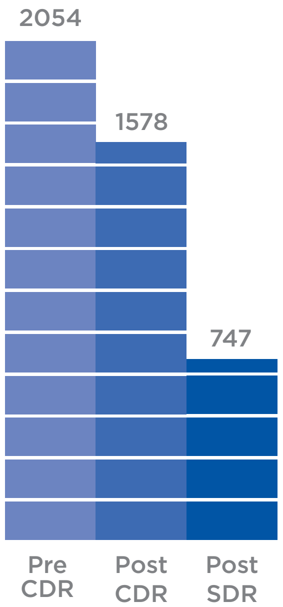


NETWORK UPTIME
%

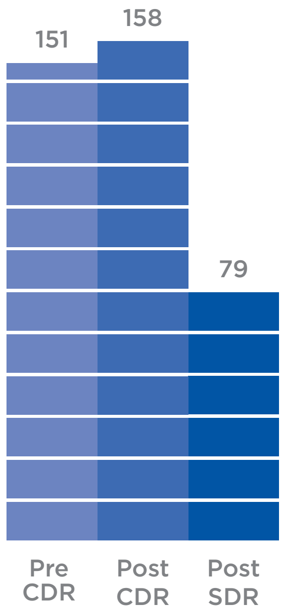


e - estimated
1. Please refer to the contents (page 6) for Forward Looking Statement & Disclaimer.
2. Network uptime of 99.90% maintained across portfolio except for sites in difficult terrains.

DEBT REDUCTION
In US$ Mn.

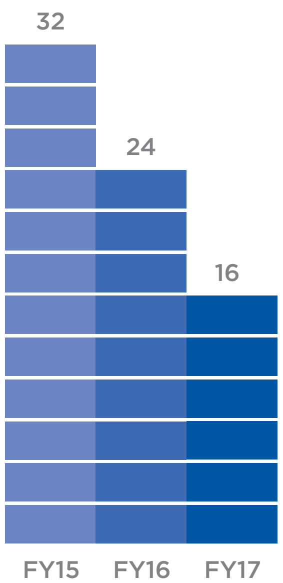


FINANCE COST
In US$ Mn.

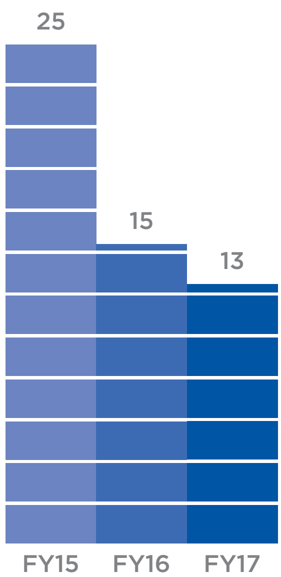


LESS

POWER,FUEL & MAINTENANCE COST
In US$ Mn.



SECURITY COST
In US$ Mn.



CONTENTS

GLOBAL GROUP HIGHLIGHTS

100 Mn
Subscribers Connected

US$
3 Bn
Assets

US$
600 Mn
Revenue

35+
Awards and Accolades

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions.

The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Disclaimer

The information appearing in this section is for combined entity of GTL Infra and Chennai Network Infrastructure Limited unless mentioned otherwise.

CORPORATE INFORMATION

Company Secretary & Compliance Officer
Mr. Nitesh A. Mhatre

Chief Financial Officer
Mr. Laxmikant Y. Desai

Auditors
M/s. Chaturvedi & Shah, Chartered Accountants
M/s. Yeolekar & Associates, Chartered Accountants

Banks/Institutions
Andhra Bank
Axis Bank Ltd.
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Corporation Bank
DEG, Germany
Dena Bank
IDBI Bank Ltd.
Indian Bank
Indian Overseas Bank
Life Insurance Corporation of India
Oriental Bank of Commerce
Punjab National Bank
State Bank of Bikaner and Jaipur
State Bank of India
State Bank of Patiala
State Bank of Travancore
Union Bank of India
United Bank of India
Vijaya Bank

Registered Office
GTL Infrastructure Limited
'Global Vision', 3rd Floor, Electronic Sadan - II,
M.I.D.C., T.T.C. Industrial Area, Mahape,
Navi Mumbai - 400 710, Maharashtra, India.
Tel: +91 22 2767 3500 | Fax: +91 22 2767 3666
Website: www.gtlinfra.com
CIN : L74210MH2004PLC144367

FOR MORE INFORMATION CONTACT:
Email: gilshares@gtlinfra.com | ir@gtlinfra.com
Tel.: +91 22 2271 5000

Registrar & Share Transfer Agent
GTL Limited
Investor Service Centre
'Global Vision', Electronic Sadan - II,
M.I.D.C., T.T.C. Industrial Area, Mahape,
Navi Mumbai - 400 710, Maharashtra, India.
Tel: +91 22 2761 2929 Extn.: 2232-2235 | Fax: +91 22 2768 0171
Email: gilshares@gtlinfra.com

INTRODUCING GTL INFRA

AT A GLANCE

GTL Infrastructure Limited (GTL Infra), a Global Group Enterprise, is the pioneer of shared passive telecom infrastructure in India. Launched in 2004 with a mission to build a closely-knit and well-connected nation, GTL Infra has been developing India's telecom landscape for over a decade. Today, GTL Infra is known for its communication structures that are shared by the wireless telecom operators.

Over the years, the Company has emerged as one of the largest independent and neutral telecom tower company in India, with a combined portfolio of 27,759 towers strategically located across all the 22 telecom circles with a team of over 1,075 employees and associates, GTL Infra helps telecom operators maximise their reach, save on capital costs and optimise their operations. We also work closely with the regulators and other authorities to aid in the promotion and growth of Digital India.

Being an intrinsic arm of the Global Group, which is India's leading business group focused on network services and shared telecom infrastructure. The Company has derived its values and ethos from the path defined by the parent.

2x
Tenancy on Occupied Towers

22
Telecom Circles in India

27,759
Telecom Towers

VISION

To be India's most efficient and environment friendly telecom tower Company.

MISSION

At the Global Group, our purpose is to enable people to be in touch with each other and improve the quality of life of the communities we serve. We do this through leadership in sectors like Telecom and associated infrastructure, to which the Group brings a distinct set of capabilities.

VALUES

The Global Group Enterprises share a set of 6 core values which guide and drive the Company and its people towards growth and success.

- Ethics & Transparency
- Proactively Manage Change
- Delight Customers through Superior Services
- Develop Entrepreneurs through an Achievement Oriented Culture
- Build a Sustainable Global Organisation
- Share Knowledge and Focus on End Results

OUR SERVICES

We offer world-class passive infrastructure to leading telecom service providers in India, enabling them with modern infrastructure and energy management facilities. Our customers have been able to build, operate and manage their networks, while saving on CAPEX and OPEX using our energy efficient shared towers.

Infrastructure

We are the first independent tower company in India to introduce the concept of shared telecom towers. We host active equipment at our sites, provide space and optimum heights for mounting antennae across 22 telecom circles in India.

We have consistently offered state-of-the-art towers with strong network, backed by best in class services.

Energy efficiency

We have built energy-efficient towers, delivering uninterrupted power at predictable costs. We provide our customers with optimal energy resources and storage solutions, designed on a modern technology-based platform.

Additionally, we also provide support to achieve sustainability by deploying green energy based, integrated power management systems and free cooling units among other environment-friendly measures.

50,845

Tenants
Combined Entity

OUR JOURNEY

2004

GTL Infra incorporated

2006

GTL Infra became the first company in India in the Shared Telecom Infrastructure space to be listed on stock exchanges (BSE and NSE)

2007

Rights Issue, of US$ 83.86 Mn.

Warrants subscribed by Promoters and Investors for US$ 263 Mn.

Successfully closed Unsecured Zero Coupon FCCB issue of US$ 300 Mn.

2008

Achieved Financial Closure to roll out 23,700 towers across India

2017

Tenancy Ratio 2x

Strategic Debt Restructuring reducing the Debt to sustainable level

2016

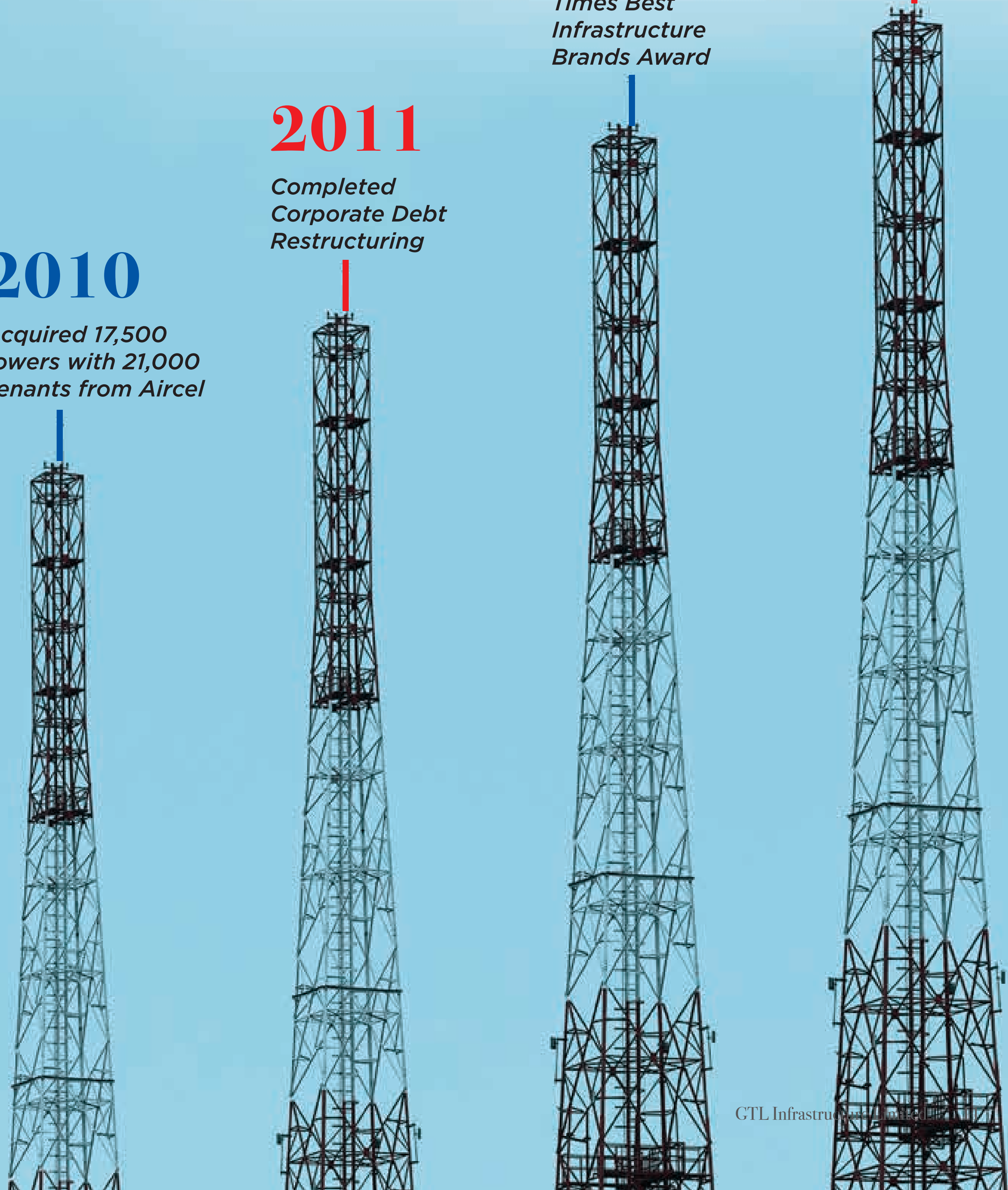
GTL Infra receives The Economic Times Best Infrastructure Brands Award

2011

Completed Corporate Debt Restructuring

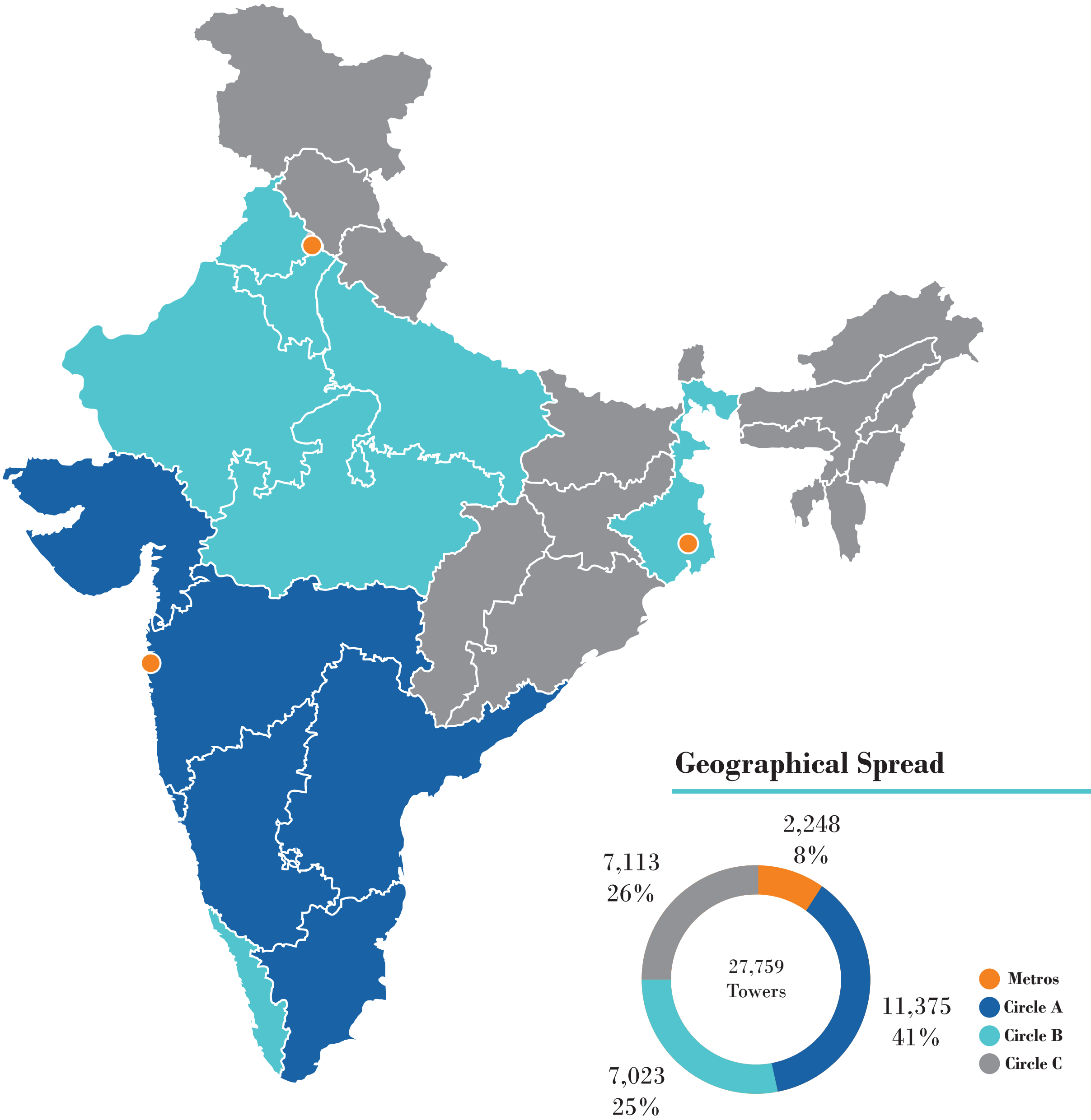
2010

Acquired 17,500 towers with 21,000 Tenants from Aircel

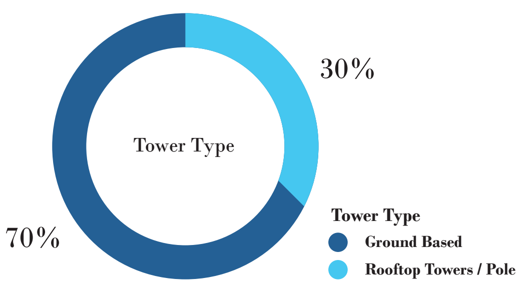


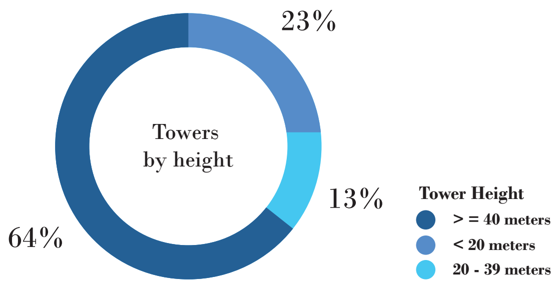
HIGH QUALITY TOWER PORTFOLIO

Geographical Spread



Towers by Type and Height





MAP NOT TO SCALE

AWARDS & RECOGNITIONS

Awards help in reinforcement of our believes, strategies and work culture. They are rewards for our dedication, hard work and determination encouraging us to work harder and smarter.

The Economic Times Best Infrastructure Brands

GTL Infra was awarded with The Economic Times Best Infrastructure Brands 2016 for excellence in the telecom sector, KPMG was the Knowledge Partner.

The Economic Times Mumbai's Trending Workplace

The Economic Times recognised GTL Infra, as one of Mumbai's Trending Workplaces. It recognised the Company for providing an environment where you work with the best and learn from the entrepreneurs of tomorrow.

CHAIRMAN'S STATEMENT

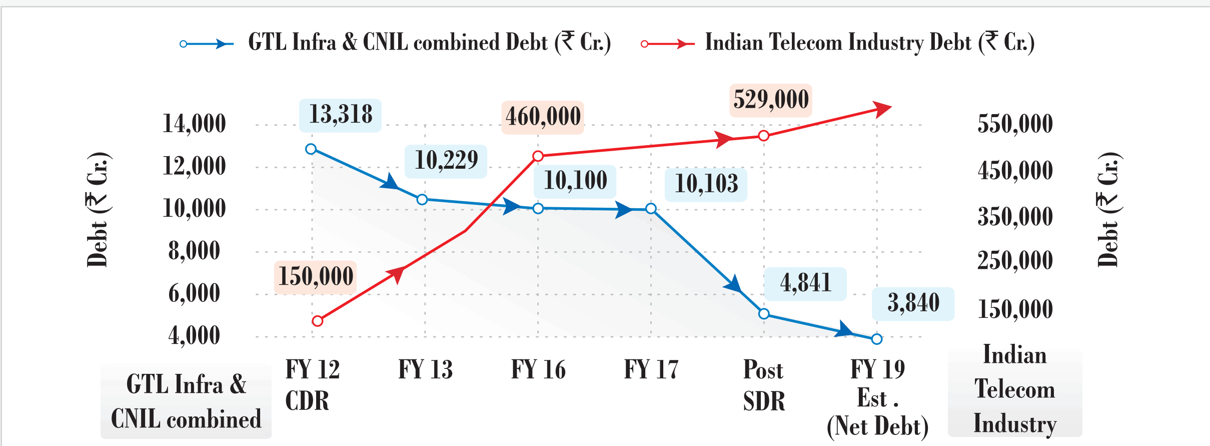
***'TURN AROUND'** two seemingly innocuous words, but ones which have been at the forefront of our minds for the last six years. In fact, we have been obsessed with it.*

Ever since we restructured our debt under the Corporate Debt Restructuring ('CDR') mechanism in December 2011, we have been constantly asking ourselves how do we 'turn around'? Finally, in hindsight, the answer was clear. Rather than complain about the unending barrage of problems being faced by the ever deteriorating telecom industry at that time, we accepted that we were the masters of our own fortunes. We decided it was time to roll up our sleeves and dig deep to rebuild our business and financials and reduce debt.

Looking back now, we feel we achieved some significant goals.

In an industry plagued with problems of over leverage, we appear to have resolved our debt issues – an outcome which is the result of relentless and collaborative efforts by the promoters, management and the lenders.

Debt Comparison: Indian Telecom Industry Vs. GTL Infra and CNIL combined (Actual Debt)



Period	Indian Telecom Industry Debt (₹ Cr.)	GTL Infra & CNIL combined Debt(₹ Cr.)	GTL Infra & CNIL combined Debt % Indian Telecom Industry
FY 12	150,000*	13,318 (Pre CDR)	8.9%
FY 16	460,000*	10,100 (Post CDR)	2.2%
FY 18	529,000*	4,841 (Post SDR)	0.9%
FY 19	GTL Infra & CNIL combined debt is expected to reduce to ₹ 3,840 Cr. post SDR and restructuring of FCCB		

* Industry Estimates.

GTL Infra and CNIL combined debt is expected to reduce from ₹ 13,318 Cr. in 2012 to ₹ 3,840 Cr. in 2019

In the tower business alone, the debt (on a combined basis of GTL Infrastructure Limited and Chennai Network Infrastructure Limited) has come down from a peak level of ₹ 13,318 crores (US$ 2054 Mn.) at the time of CDR to ₹ 4,841 crores (US$ 747 Mn.) in April 2017. It is expected to further go down to ₹ 3,840 crores (US$ 592 Mn.) by 2019. This represents a staggering reduction of 71% on an absolute basis.

We achieved this by adopting a very strong commitment towards our Lenders, reducing our own shareholding in combined entity from 80% down to 20% post SDR (assuming full conversion of Convertible Bonds) and with a strong resolve to find a suitable new investor to take the Company to the next level so that the business can continue to grow and prosper truly benefitting the customers, lenders and employees.

During our turnaround process, we set ourselves certain goals and are happy to see that these have been achieved during the journey:

Strong Commitment to Lenders

This has been one of our foremost objectives; we focused continuously on reducing the debt levels. Towards this end, we have restructured the debt of the tower companies twice in six years, thereby protecting the lenders' interests by discharging (including by way of conversion) or repaying principal and interest to the magnitude of ₹ 14,600 crores (US$ 2,252 Mn.) – all this without having to downgrade the quality of assets in their books. An additional aspect of this commitment was the sacrifice of the company promoters' cross holding of ₹ 1,856 crores (US$ 286 Mn.) post the proposed CNIL merger.

Enhance Income

We grew our revenue from ₹ 1,008 crores (US$ 155 Mn.) in FY 2010-11 to ₹ 2,286 crores (US$ 353 Mn.) in FY 16-17. Barring the unexpected, this is expected to grow to ₹ 2,600 crores (US$ 401 Mn.) this fiscal. This would represent a CAGR of 15% from the time of the initial restructuring. More importantly, the normalised EBITDA grew from ₹ 582 crores (US$ 90 Mn.) in FY 10-11 to ₹ 1,122 crores (US$ 173 Mn.) in FY 16-17. The normalised EBITDA is also expected to enhance to ₹ 1,350 crores (US$ 208 Mn.) this fiscal which represents CAGR of 13%.

Focus on end Customers

Despite massive turmoil in telecom sector we have enhanced Network Uptime from a low of 96.5% in 2011 to 99.9% in last 6 years under normal conditions.

In the bargain we have made it easy and quicker for our Customers to do business with us.

- Added 16,700 new tenants from FY 2011-12 to take our tenancy to 50,845 in FY 2016-17 and this is likely to cross 55,000 this fiscal.
- Created tremendous focus on Customer Loyalty and Network Uptime.
- Committed our Company for consistent Revenue Growth and Profit.

Restoring Shareowners' and Lenders' value is now a "matter of principle"

Success in my opinion has three essential ingredients:

i) A passionate commitment to your goal
ii) The courage to dream and take the risks
iii) The morale and intellectual character to realise the dreams worth pursuing and the best route to take to achieve them

With the turbulent times facing the telecom industry, we realised that we were in stormy waters. However, we were determined to not only to stay the ship on course, but committed to turn things around, and build value for all the stakeholders. We knew the challenge would be difficult. The question of how to even go about it itself was daunting. Finally, we felt that one would never find the right answers unless one tackles the issue head on – and so we did.

Life can be rough and the journey is never easy. It is fraught with several pitfalls, adversities and competition – which is often crushing. We needed not only to survive but to come out of the crisis. To overcome this crisis, each individual had to dig deep within oneself to kindle that winning spirit. It required people to be committed, competent and courageous.

When I started, I had a dream. The dream was to create 'the largest independent tower company'. Unfortunately, with cancellation of the 2G licences, issues faced by Aircel and Maxis and subsequent cancellation of ROFR by Aircel this dream had been shattered, for no fault of mine.

My dream was replaced with a mountain of debt – repayment of which seemed impossible at the time. **However, I told myself that turning around the debt problem was something I was going to pursue and work towards.** I had the commitment, courage and character, required to help me walk through this.

So me and my team focused on a set of values as below:

Commit

I committed to the Goal. Believed in it, more than anyone else ever did. I fought several legal and hostile attempts and overcame every one of my 'personal shortcomings' purely on the back of my passion that I brought to task.

I do not know whether you are born with this kind of passion or if you can 'acquire' it, but I do know you need it.

If you are passionately committed to what you believe in, you will be out there every day, trying to do it the best way you possibly can and pretty soon everybody around you will latch on to your passion like 'fever'. It is contagious.

Someone close to my heart says 'work is worship' and 'passion is the driver' to walk the talk.

I agree.

Share

Over the last 6 years I am doing all I can to reduce my shareholding in the combined entity from a peak level of 80% down to 20% so that upside can be shared with the Lenders and minority Shareholders. I have also agreed to relinquish ₹ 1,856 crores (US$ 286 Mn.) of our group cross holding, in the bargain debt is being reduced from ₹ 13,318 crores (US$ 2,054 Mn.) to ₹ 3,840 crores (US$ 592 Mn.) eventually by 2019. We have remained a viable company with sustainable debt that cash flow of business can fund.

Much as I would have loved to retain the control, even if I cannot, I am committed to turning around.

I request all of you at GTL Infra to keep in mind that several thousand jobs including your own have been saved thanks to the sacrifices banks have made way back in 2011. Helping them recovering the value of their debt and equity is a single best thing we can 'both do together'. Therefore restoring their faith in all of us is what we need to be relentlessly working towards. Sharing the upside of equity with them is an essential part of this journey.

Motivate

I motivated my colleagues with the idea of being a group that repays its debt. Money and ownership were not the only tools I needed to motivate them.

Day by day, the management team strategised, brainstormed and worked together to find new and interesting ways to challenge the rest of our people. WE SET HIGHER GOALS TO LOWER DEBT EACH PASSING YEAR....

We encouraged our people to do better than other tower companies - we did not have any telecom operator as our parent. We remained a fiercely and truly independent tower company.

We made outrageous bets to improve network performance. We set up our own Test and Repair Centre (TRC), reduced security costs and invested heavily in network uptime. Driven with motivated objective to repay lenders and enhance shareholder value, our employees worked relentlessly improving network performance from 96.5% in 2011 to 99.6% in some and in most cases to 99.9% in 2016 & 2017.

At last our hard work is paying off. Throughout our restructuring we remained a standard asset, never turning into NPA for any bank and in April 2017, attaining a status that should possibly restore more than investment grade for our debt. We can potentially become debt free in 4 odd years, should new owners choose to do so.

Communicate

We communicated our goal to the whole company. 'Turning Around/Repay Lenders'. The more they knew the more they understood. The more they understood the more our people cared. Thus, there was no stopping them.

The way I saw it, I had to let them know that a few years from now I won't be your 'super boss', that I had to let go, dilute my shareholding and allow a new promoter to be inducted. I had to trust them as this was their 'fundamental right to know' about 'what's going on?' Thus, they knew that I really considered them as 'partners'.

Sharing information on our debt obligations on having to lower debt, challenges we faced in the industry and my plan to exit to benefit minority shareholders and lenders was rewarded with 'power and productivity gain' that I got from our people in lieu of clarity and trust put in them. By giving them information I managed to more than offset the risks of worrying about my own future as the founder promoter.

Appreciate

I appreciated everything that our staff and management team have done to turn the business around.

A pay check, a pay rise or incentive will buy one kind of loyalty. But all of us like to be told how much somebody appreciates what we do. We like to hear it often and especially when we have done something that we are really proud of.

Let me say this with 100% conviction. Nothing else will substitute for few well chosen, well timed and sincere words of praise.

To all the Shareholders, Lenders and Employees:

Thank you for being patient and supportive during the most difficult period of our turn around; for six long years from 2011. Your support is appreciated and has given me the strength, energy and courage, essential to fight the adverse headwinds that the telecom industry faced.

Now that we have moved ahead with sustainable debt and a growth oriented business model, we have some objectives to achieve.

They are:

Exceed

We are committed to exceeding our customer's expectations. We know, if we do, they will come back over and over again. We are engaged to deliver what they want and little 'more'. We appreciate our customers' business and are committed to making good on all our mistakes, their demands and in the bargain we are generating tenancy growth that benefits our EBIDTA / free cash flow and that helps us achieve our financial goals. We hope to refinance our debt, bringing our interest liability down from ₹ 1,100 crores (US$ 170 Mn.) in 2011 to ₹ 500 crores (US$ 77 Mn.) in 2018 and further to an estimated ₹ 275 crores (US$ 42 Mn.) by 2019.

I told myself that turning around the debt problem was something I was going to pursue and work towards. I had the commitment, courage and character required to help me walk through this.

Control

Control all our expenses, be the lowest cost operator. Doing this better than competition does, is key to growth and success. This is where we want to create the competitive advantage. For 11 long years, much before we commenced the tower company operations, we have struggled to keep the lowest rate of wages and expenses to revenue and sales and EBIDTA. We can make a smart recovery out of our mistakes, if we can run an efficient operation.

.... and finally,

Embrace Change

The SDR rules require us to help banks sell down 26% of their equity within 18 months from September 20, 2016. The efforts, which have begun in all earnest with the help of Ernst & Young and TAP Advisors, will trigger a change of control by 2018.

As promoters, if required we have agreed to sell down our entire shareholding as well, so as to permit more than 51% acquisition by prospective buyer, be it a strategic, private equity or pension fund investor, to help us become part of consolidation process in tower industry.

But fear not my beloved Globalites, our management team and me shall embrace this change and shall remain committed to assisting the prospective Investor because GTL Infra is no ordinary tower company. It is destined to succeed. In doing so, your contribution has so far been extremely useful and invaluable for which I am eternally indebted to all of you.

Yours sincerely,

Manoj G. Tirodkar

BOARD OF DIRECTORS

Mr. Manoj Tirodkar
Chairman

3 4

Mr. Tirodkar is a first-generation entrepreneur, highly acclaimed for intoducing the concept of shared telecom infrastructure in India. He is the Founder and Chairman of Global Group and has been lauded with several awards and recognitions for his contribution to the industry. He is the first Indian to win the prestigious 'World Young Business Achiever Award 2000' (WYBA) presented by Worldcom Group. He has also been awarded with the Confederation of Indian Industry's (CII) Young Entrepreneur Trophy and Telecom Man of the year Award.

Mr. N. Balasubramanian
Vice Chairman & Independent Director

1 2 5

Mr. Balasubramanian is a former Banker. He is an expert in SME industry and was instrumental in launching SME Rating Agency of India Ltd. In the past, he has held leadership positions at Bank of Baroda and Small Industries Development Bank of India and has been a member of Board of prestigious Indian companies.

Mr. Milind Naik
Whole Time Director & COO

4

Mr. Naik has been an integral part of the Global Group for over 26 years. He has extensive experience in telecom Industry. He is responsible for the overall Commercial, Operations and Cost Optimisation measures for the Company.

Board Committees

1. Audit
2. Nomination & Remuneration
3. Stakeholders' Relationship
4. Corporate Social Responsibility
5. SDR Monitoring & Advisory

Member Chairperson

Mr. Charudatta Naik
Director

1 2

Mr. Naik has an experience spanning over 28 years in the telecom industry. He provides strategic guidance to the group to enhance its growth potential. His expertise lies in Technical Support, Sales & Marketing and Business Operations. Previously he was associated with leading companies like Unitel Communications and Crompton Greaves.

Dr. Anand Patkar
Independent Director

3 5

Dr. Patkar brings over 40 years of rich experience across Finance, Corporate Planning, Strategic Management, Mergers and Acquisitions, Joint Ventures, Feasibility Studies and Budgetary Control amongst many other areas. He is also the author of the book 'Master the Mind Monkey: Experience Your Excellence' and is an active Management Educator.

Mr. Vinod B. Agarwala
Independent Director

1 3 5

Mr. Agarwala is a practicing Advocate & Solicitor, with over 35 years of experience. He is also Solicitor, Supreme Court of England & Wales and Advocate of Supreme Court of India. Mr. Agarwala specialises in Corporate Laws, Securities Laws, Project Finance, Property Law, FDI and Commercial Laws.

Mr. Vijay Vij
Independent Director

1 2 4

Mr. Vij is a practicing Chartered Accountant with over 21 years of experience in Taxation, Auditing and Consulting. He is an ardent finance professional and his forte lies in Direct Taxation, Valuations, Financial Modelling, Business Consultancy, System Implementation and M & A advisory.

Mrs. Sonali P. Choudhary
Director

3 4

Mrs. Choudhary is an ardent law professional specialising in arbitration, mergers & acquisition and risk management. She has 15 years of experience and previously was the legal head of the power business of GTL Limited. Alongwith being a law graduate she holds a Masters in Finance Management.

EXECUTIVE MANAGEMENT TEAM

Mr. Milind Naik
Whole Time Director & COO

Mr. Naik has been an integral part of the Global Group for over 26 years. He has extensive experience in telecom Industry. He is responsible for the overall commercial, operations and cost optimisation measures for the Company.

Mr. Milind Bengali
Chief Operating Officer

Mr. Bengali is responsible for business and operations of the Company. He has over 25 years of experience in Telecom and ITES across Business Operations, Strategy, Sales & Marketing, Business Development and P&L. He has previously worked with Crompton Greaves, Aptech and The Thapar Group.

Mr. L. Y. Desai
Chief Financial Officer

Mr. Desai is a Charted Accountant and Company Secretary with over 30 years of experience in industries like telecom and renewable energy. He has been associated with Global Group for over 20 years. In the capacity of CFO he is responsible for the Financial performance of the Company.

Mr. Bhupendra Kiny
Head - Pricing & Costing

Mr. Kiny is a Chartered Accountant with over 22 years of experience. He is responsible for Budgeting and Monitoring, Cost Optimisation, Pricing and Commercials, Funding, Cash Flows and Risk Management for the Company.

Mr. Arun Prabhukhanolkar

President - Corporate Affairs & Group Head - Business Development

Mr. Prabhukhanolkar brings over 17 years of experience across the domains of Telecom Infrastructure, Network Services, and Power Distribution. He holds group level responsibility and his expertise lies in the areas of Business Development, Business Operations, Public Relations and Corporate Affairs.

Mr. Prasanna Bidnurkar

Head CDR Operations

Mr. Bidnurkar is a Chartered Accountant with over 20 years of experience in the field of Finance, Treasury, Contract Management, Budgets and MIS. He is responsible for debt mobilisation and restructuring. He heads the turnaround process with the Chairman Mr. Tirodkar. He has been associated with GTL Infra for over 10 years.

Mr. R. S. Ahluwalia

President - Business Development

Mr. Ahluwalia brings over three decades of varied experience in areas such as International Marketing, Business Operations, Strategy and Business Transition to the Company. Prior to this tenure, Mr. Ahluwalia was the Country Manager at CINCOM Systems USA and Director of Philips Telecommunications UK.

Mr. Ashutosh Chandratrey

Sr. Vice President - Human Resources

Mr. Chandratrey leads talent acquisition and HR operations for the Company. He has over 36 years of experience across Telecom, Manufacturing and Service domains. In the past, has worked with Columbia Films of India Ltd., Mahindra and Mahindra Ltd., Bennett & Coleman and Jindal Group.

Mr. Eugene Valles

Vice President - Training and Organisation Development

Mr. Eugene Valles is a Masters in Business Administration. He is responsible for Training and Organisation Development functions. Prior to Joining GTL Infrastructure, he has worked with GTL International Limited as Head – Human Resources. He has over 23 years of experience.

STRATEGIC PRIORITIES

Striving towards a fully-occupied tower base

The unprecedented data boom presents us additional opportunity to offer our towers to telcos, expanding their networks for 3G and 4G, coverage and capacity. We are also pursuing newer segments in wireless communications in the upcoming smart cities and IOT deployments.

Tapping the potential offered by clean energy sources

Power is a critical resource that keeps the networks alive. We wish to further leverage clean and renewable sources of energy to power our towers, reduce our CO_2 footprint and move towards a sustainable future.

Offering relevant solutions

In an era of intense competition, as specialists in telecom infrastructure, we aim to provide varied infrastructure and energy management solutions to our customers; offering them plug and play infrastructure to rapidly expand their networks with high uptime and reduced operating costs.

Building a talent pool of experts

It is our human capital that enables us to serve our customers effectively and to grow our business. We have a committed and passionate team working together towards the success of the Company. We believe in fostering and training our talent, which in turn drives growth and profitability, while maintaining and managing customer relationships. We invest in helping our people to grow professionally and aim to further their growth aspirations.

Committed to our stakeholders

Our stakeholders are at the heart of everything we do. We are continuously innovating to provide meaningful and fruitful association with our customers. This in turn helps to drive sustained value creation for our investors. As part of our social responsibility, we keep launching initiatives that preserve the natural resources and empower the communities we impact.

A shared Telecom Tower that powers 2G / 3G / 4G LTE and Backhaul

Management Discussion and Analysis

BUSINESS SNAPSHOT

GTL Infrastructure Limited (GTL Infra or GIL or the Company) is India's leading independent telecom tower company (TowerCo). The Company provides passive infrastructure on shared basis to telecom operators (Telcos) for hosting their active network components. The Company is IP-1 registered with Department of Telecommunications, India.

The business model of passive infrastructure sharing is based on building, owning, operating and maintaining passive telecom infrastructure sites capable of hosting active network components of various technologies of multiple Telcos. This model enables Telcos to divert their resources from capital expenditure to operational expenditure model, thus allowing them to utilise capital for their core operations.

The salient features of the passive infrastructure business model are as given below -

- tower companies provide space to Telcos to host their active infrastructure on cell site
- towers are capable of hosting multiple technologies such as 2G | 3G | 4G LTE etc.
- growth tied to expansion of wireless networks and technology upgradation
- annuity driven business model - stable and growing revenues
- long term (upto 15 years) contracts with Telcos, with a built in annual escalation
- fixed energy management contracts for majority of tenants
- relatively fixed cost structure and low level of maintenance
- predictable and growing free cash flows
- additional tenancies (post anchor tenant) lead to higher EBITDA margins and higher percentage of revenue translating to cash flow

The Company's combined tower portfolio (together with its associate) is spread across all the telecom circles in India, and serves all major Telcos.

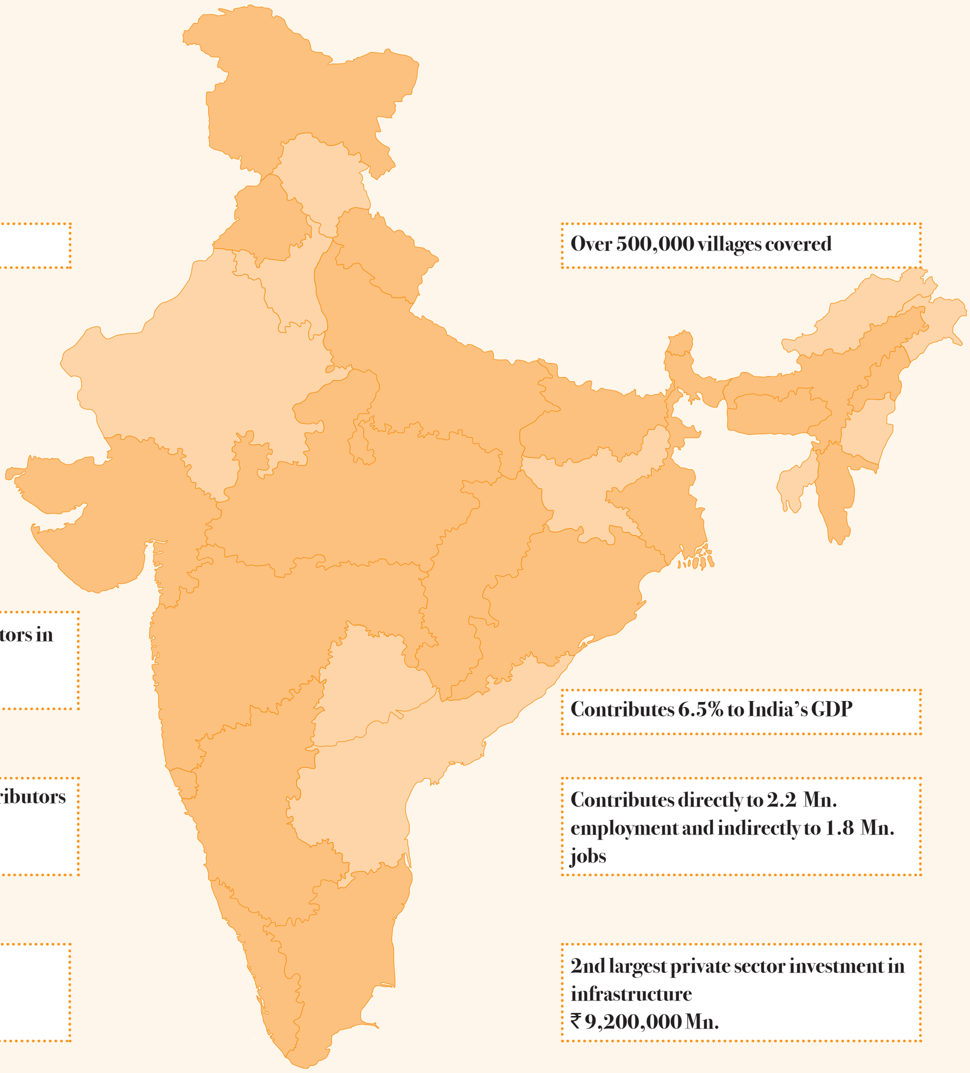
To promote shared infrastructure, the Company was associated with Department of Telecommunications (DoT) and Cellular Operators Association of India (COAI) for the prestigious Project MOST (Mobile Operators' Shared Towers). The Company also supported USOF (Universal Services Obligation Fund) for proliferation of rural telecom infrastructure.

INDUSTRY STRUCTURE AND DEVELOPMENT

Structure and industry model of telecom operators

The telecom sector has played a vital role in nation-building. Some key factors are highlighted as under.

Indian Telecom Sector plays a vital role in Government's Nation Building Agenda



Source: GSMA The Mobile Economy India Report, 2016, Industry Estimates

Emergence and Demand

Telecommunication services have been one of the key driving forces for socio-economic development of a nation. Mobile telephony had a staggering growth in the past decade where the country's total mobile subscriber base rose from 99 Mn. in FY 2005-06 to about 1,062 Mn. in FY 2016-17. Despite recent slowdown as well as being one of the most competitive markets in the world, the Indian telecom market is expected to be back on growth track driven by data explosion with rollout of data services (3G and 4G). With increasing market competitiveness, the current focus of Telcos in India has clearly moved from increasing 'user base' to improving 'active' user base.

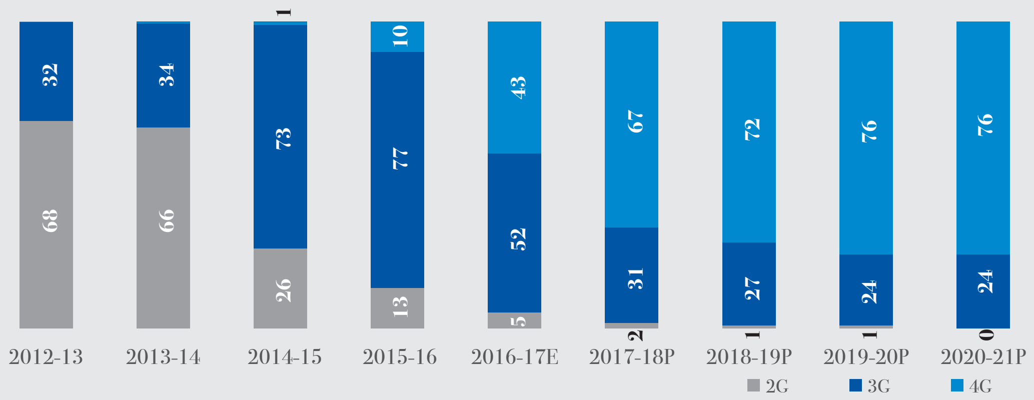
The Company's combined tower portfolio (together with its associate) is spread across 22 telecom circles in India, and serves all major Telcos.

In India, wireless data subscriber base is largely from young population . Highly competitive and reducing smart phone prices coupled with growth in e-commerce and OTT apps has provided favourable growth condition for the mobile internet market. Smartphone penetration has led to inflection point in data growth. As also demonstrated in other geographies, Indian subscribers are adopting data hungry applications/ services on mobile devices.

The following diagram shows the expected proliferation of data technology over the next few years:

Data technology trends - 2G, 3G and 4G

(%)

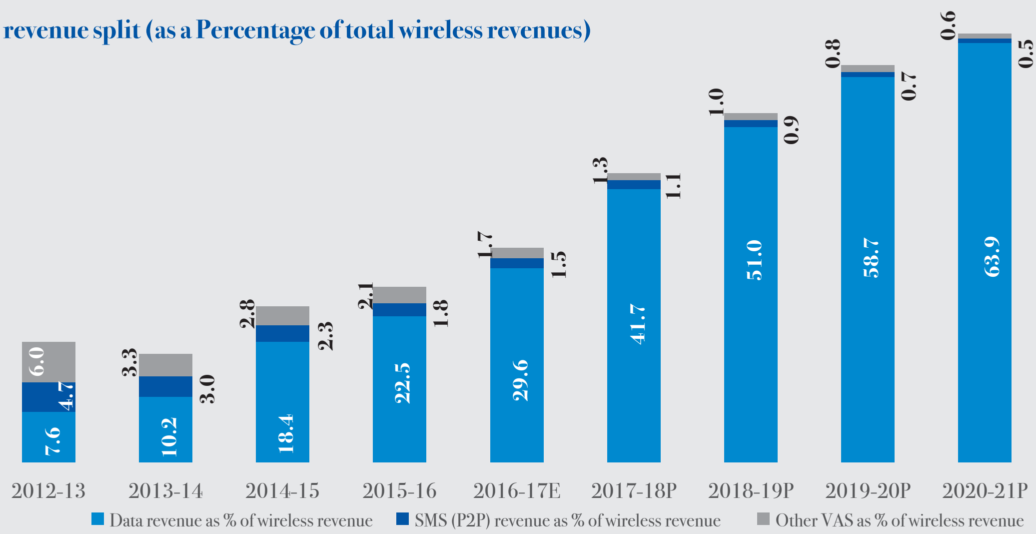


Source: CRISIL Report / TRAI, Feb. 2017

Similarly, the estimated non-voice revenue split as a percentage of total wireless revenues clearly indicates the impending data explosion that is expected to take place over the next few years.

Non-voice revenue split (as a Percentage of total wireless revenues)

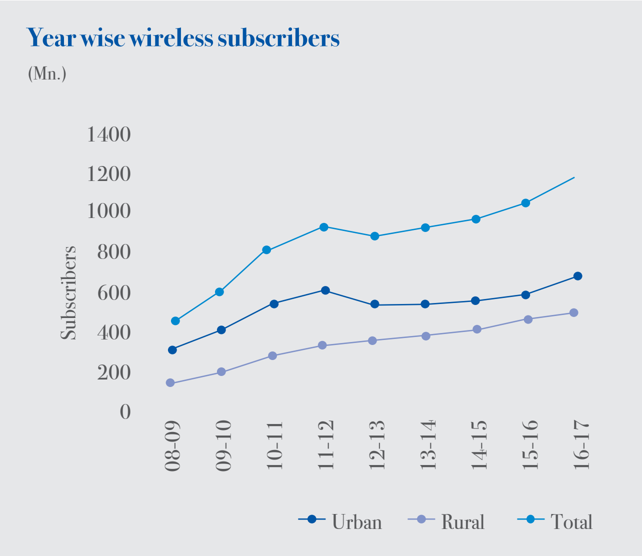
(%)



Source: Crisil Report / TRAI, Nov. 2016

The entry of a major new market player (Telco) in the previous year has disrupted the telecom market and led to severe competition amongst the players. This has benefited the customers immensely and enabled large number of consumers to access mobile data who were previously excluded due to high tariffs. This demand for data is leading to a significant demand for tenancies on telecom towers.

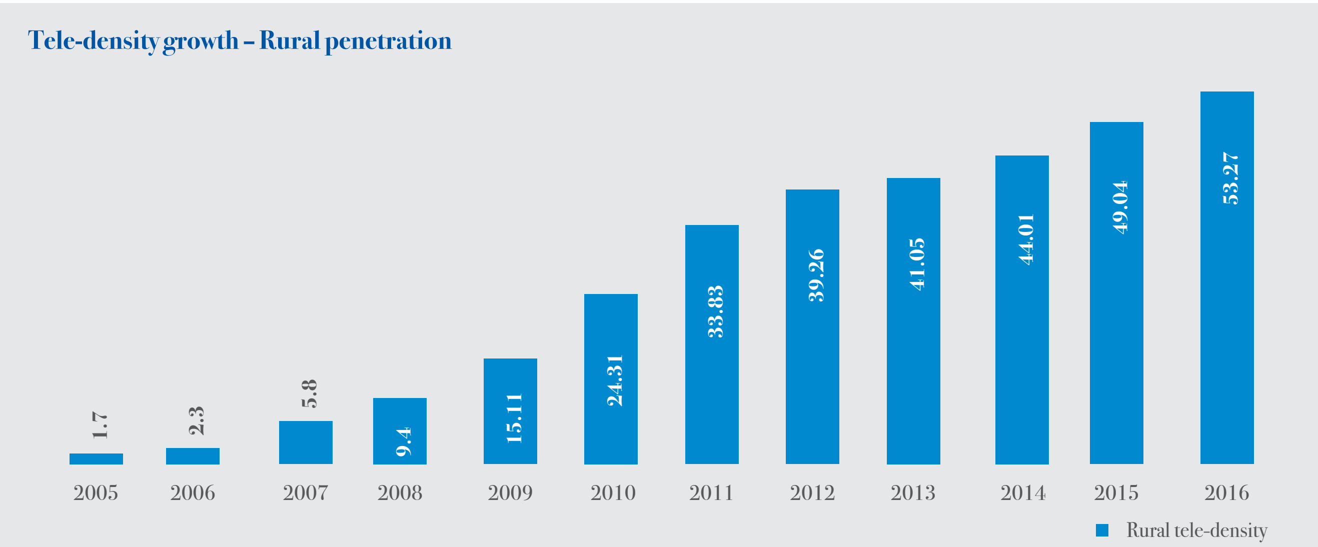
The rural subscriber base is steadily growing. The urban and rural wireless subscribers' trend over the past decade is shown below.



Source: TRAI - Performance Report

A Mobile Tower shared with multiple Telcos

The following table clearly highlights the tele-density growth and rural penetration over the last decade.



Source: data.gov.in

Given the low tele-density in rural India and the Government of India's Digital India initiative, the demand for tenants on tower sites in rural India will see exponential growth. The Company alongwith its associates CNIL stands to benefit from this as it has tower sites which are suitably located with adequate capacity available to host new tenancies.

INDIAN TELECOM TOWER COMPANIES (TOWERCOS)

Broadly the tower companies operating in this segment can be categorised as follows:

- Operator owned tower companies (For e.g. - Indus, Bharti Infratel, ATC India and Reliance Infratel)
- Independent tower companies (for e.g. - Tower Vision, Ascend, GTL Infra and CNIL)
- Towers owned by government operators (for e.g. - BSNL, MTNL)

Globally TowerCos have been typically characterised with many of the following attributes -

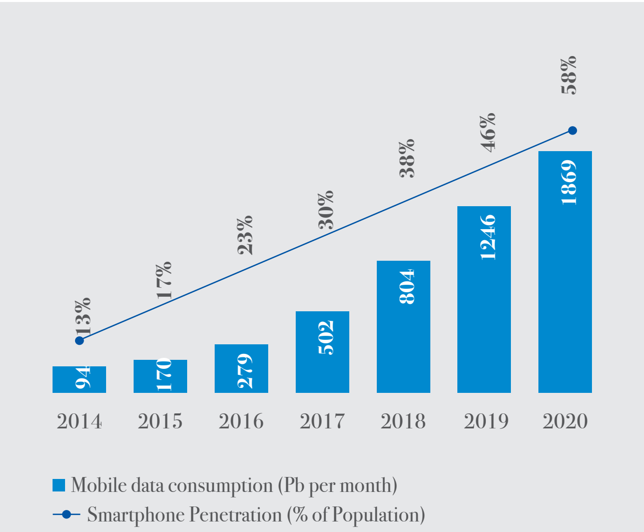
- relatively lower competitive intensity, thus superior pricing power
- lower regulatory risks than that of the Telcos

- faster revenue and earnings growth over medium to long-term (5-7 years)
- higher customer switching costs for Telcos hence high contract renewal and low churn
- better revenue visibility and predictability, supported by long-term contracts
- increasing tenancies, hence strong operating leverage, improved margins and ROI
- favourable tax treatment in certain countries

The global tower industry is evolving. Reportedly, US Telcos have outsourced over 85% to various TowerCos, whilst European Telcos have just started. Similarly in Asia - Indonesia, India and recently even China are following the outsourced model while in Japan, Korea, Russia, Australia and most of Africa, Telcos still own bulk of the tower assets. It is estimated that out of three million or more towers across the globe, 50% - 60% are independently owned by TowerCos. It is widely expected that this percentage of independently-owned towers would increase substantially to possibly upto 90% by 2025.

India telecom market is going through a major transformation with the increasing 4G rollouts, data getting cheaper, smartphones prices dropping below 100 dollars, increasing time spent/activity by users on the internet and continuous push by the Government of India to go digital. All these factors have led to more individuals spending more time on their smart devices and hence driving the data usage multi fold.

As per 'Indian Tower Industry: The Future is Data – June 2015' by Deloitte the data usage by 2020 will be 20x as compared to 2014 numbers.



Source: Deloitte Analysis

To support this data boom the tower industry will have to play a vital role. Since with the higher data usage, the existing infrastructure will prove to be inefficient and inadequate, the Telcos will require to continuously invest in new cell sites. The shared towers will continue to support the addition of such new sites since it provides the most cost effective and technologically efficient solution.

The above advantages are expected to continue, given the TowerCos long-term growth outlook, profitability and margins, expansion potential, and being relatively less exposed to regulatory and technology substitution risks when compared to that of the Telcos. Incidentally strong emphasis on operational excellence, data explosion and growing subscribers from rural base would continue to remain key aspects for TowerCos to focus on.

STRUCTURE AND INDUSTRY BUSINESS MODEL

The growth of the Indian telecom industry over the years can be characterised by the rapid data growth along with a decline in tariffs due to the fierce competition. The competitiveness of the Indian telecom market has led Telcos not just to focus on operational prudence but also to operate in select circles.

As Telcos remain focused on increasing market penetration with limited capex, it is beneficial for them to rent towers from TowerCos, thereby considerably reducing costs whilst allowing them to focus on their core. Renting towers from TowerCos enables these Telcos to go to market within a short time.

Telecom towers form the backbone of wireless networks and provide last mile connectivity to subscribers. The TowerCos have rapidly grown in a short span of time. The Company played a pioneering role in shaping this industry and it was the first independent tower company in India to get listed.

Tower requirements usually depend on network coverage (which, in turn, depends upon geographical area, population density and spectrum bands) and network capacity i.e. maturity of wireless industry, cellular and data penetration, and data usage per subscriber), quantum of spectrum, and wireless data technology (whether it is 2G/3G/4G/5G).

The key driver of tower revenue growth is tenancy. As the number of tenants in a tower increases, tower companies are able to generate incremental revenue and EBITDA. Apart from tenancies, tower company revenues are also influenced by the pricing charged per tenant.

Operating costs components for the tower business are site rentals, repairs and maintenance, security charges, insurance and cost of outsourced resources. As major expense items are fixed in nature, cost for additional tenant is minimal. Hence, the tenancy ramp-up results in a significant percentage of incremental revenues, ROI and cash flow.

Globally, tower outsourcing is on the rise and towers become more valuable as tenancies rise. Margins go exponentially higher when number of tenants progressively increases. The incremental rental revenues from these new tenancies increase the overall profitability and consequently are expected to produce healthy EBITDA and free cash flows, especially when these revenue growth rates are sustainable over long tenure.

It is estimated that over 450,000 telecom towers of several types have been deployed in India at present and CAGR increase at 3% to 4% is expected over next 4 to 5 years. Whilst decline in growth of voice usage along with sector developments and regulations has begun to pose challenges for independent TowerCos consequently affecting their cash flows, on the other hand exploding data traffic has led to new in-building solutions and smaller cell sites build-out which is expected to drive growth of the Indian TowerCos.

OPPORTUNITIES AND THREATS

Opportunities

Demand for Towers

About 60% telecom towers currently have been set up in Metros and Category A circles with only 40% catering to Category B and C circles. Moving forward, given the impetus and focus on growth in rural areas in addition to that in Tier-2 and Tier-3 regions, upto 45% increase of towers in these regions is expected to be achieved by FY 2020. Telcos have further planned to expand their network coverage coupled with acquisition of additional spectrum acquired in recent auctions, by rolling out next generation 4G networks and increasing their 3G presence. The total number of towers are therefore expected to grow to over 500,000 by FY 2020, of which over 40,000+ towers are likely to be driven due to increasing data usage, particularly in urban and semi urban areas.

Growth drivers for tower industry

Independent TowerCos are expected to grow, bolstered by the rollout of 3G/4G networks, exploding data usage and the increased focus of Telcos on operational prudence. TowerCos are no longer looking just at tenancy but site level profitability and exploration of other growth avenues possibly with creative business models.

The growth of the Indian telecom tower market is expected to be driven primarily due to network upgrades and roll-out of 3G/4G data technology, explosion of data usage leading to increased infrastructure requirements and network upgrades, 'Digital India' initiative of Indian government, increased subscriber base in Tier-2, Tier-3 and rural areas and new customer segments.

KEY GROWTH CONSIDERATIONS FOR TOWERCOS

New Business Areas

- Small Cells
- Fiberised Backhaul Network
- Managed Services

Innovative Site Acquisition & Rollout Models

- Site Development
- Acquisition for Data Rollout
- Innovative Street Level Coverage
- Network Managed Services

Commercial Models and Opex Reduction

- Pass through Vs. Fixed Fuel Costs
- Overall Rental Cost Reduction

Energy Management

- Clean Energy Source
- Energy Efficient Equipments
- Data Analytics Management Skills

New Team / Skill Development and O&M Process Automation

- R&D and Innovation Skills
- Site Analytics Management Skills
- Automation of Non-Intelligent Processes

Newer Concepts like RAN Sharing and Network

- RAN Sharing
- Network Cooperation (NETCO)

*RAN stands for Radio access network

Representation at Industry Conference

Threats

- Stagnation in 2G Voice subscriber growth is a concern for Telcos.
- Merger and acquisition among Telcos may dampen tenancy growth for a short while.
- Although electromagnetic waves from the cell towers are non-ionising and India has stringent regulations for permissible limits, there is public apprehension of health risks due to these waves. Hence tower industry has faced stray cases of tower shut down.
- Other challenges to TowerCos would be traffic off-loading, spectrum sharing and alternate access technologies.

OPERATIONS

a) Portfolio details

The telecom towers of the Company along with CNIL are configured to host multiple Telcos. The number of antennae, these towers can accommodate depends upon the type of tower (GBT or RTT). Generally a GBT site can accommodate around 3-4 tenancies on an average, whilst a RTT site upto 2-3 tenancies.

The nationwide break-up of the combined tower portfolio of the Company together with its associate, as on March 31, 2017 is as shown in the table below.

Region	Total Towers of Towers
North	5,844
East	8,452
West	4,364
South	9,099
Total	**27,759**

As on March 31, 2017 the tenancy ratio on combined entity basis for all the occupied towers is 2x.

b) Energy optimisation - Emerging Focus Areas

Energy costs which have been traditionally treated as a pass-through to Telcos, perhaps led to limited incentives for TowerCos to contain costs. Process challenges such as grid power and fuel consumption monitoring, upkeep and configuration of equipment (including diesel generators) got compounded leading to high pilferage and leaks. The Company supported the Telcos by delivering uninterrupted power supply on towers at predictable cost. Over the years various initiatives were taken to support off-grid sites and achieve sustainability like EB connection, deploying green energy, integrated power management systems and freecooling units among other environment friendly measures.

FUTURE OUTLOOK

The Company plans to capitalise on 3G and 4G rollouts by providing comprehensive and value enhanced services to the Telcos in a cost-efficient manner. This is expected to increase the tenancy on towers. The tenenacy is expected to be driven more in the rural and semi urban areas. The spectrum recently acquired by incumbents and entry of new Telcos are likely to spur growth in this sector which would benefit the TowerCos.

Key future growth segments in respect of TowerCos are enumerated below –

DIGITAL INDIA

Digital India is one of the biggest focus areas of the Government of India. The Digital India initiative aims to provide universal access to mobile connectivity and internet to the farthest corners of India.

It is a program to transform India into a digitally empowered society and knowledge economy

Vision of Digital India
The Vision of Digital India is broadly centred on 3 key areas.

i. Digital infrastructure as a utility to every citizen
ii. Governance and services on demand
iii. Digital empowerment of citizens

What is Digital India
Digital India is a program to prepare India for a knowledge future where the focus is on being transformative though Information technology (IT) and making IT central to enabling change.

a. It is an ‘Umbrella Program’ covering several government departments which would enable large number of ideas and thoughts to be weaved into a single, comprehensive vision so that each of them is seen as part of a larger goal making the mission transformative in totality.

b. Each individual department stands on its own but is also part of the larger picture and is being well coordinated by the government.

c. This program aims to pull together many existing government schemes that are proposed to be restructured and re-focused and would be implemented in a synchronised manner. It is also expected that process improvements would happen with minimal cost.

Development of smart cities is also one of its key initiatives and the Government has already announced a plan to create 100 smart cities. The smart city concept encompasses certain key areas which are expected to present an investment opportunity of over US$ 2 trillion over the next 25 to 30 years.

Impact of Digital India by 2019
Based on the Government’s Digital India initiatives some of which have been outlined below, it is believed that the growth impact would be tremendous.

- Broadband in 2.5 lakh villages with universal phone connectivity
- Net zero imports by 2020
- 400,000 public internet access points
- Wi-fi in about 250,000 schools and all universities; Public wi-fi hotspots for citizens
- Digital inclusion – specific budget for IT, Telecom and Electronics jobs
- Job creation with specific budget allocation
- e-Governance and eServices - Across all government functions

Lead partner of Digital India Summit

GTL Infra presents ET Telecom Awards

- India to be leader in IT use in services like health, education, banking
- Digitally empowered citizens with public cloud, internet access

This may potentially result in spurring growth to provide certain key services to its citizens which are broadly enumerated below -

- Citizen engagement through greater access to city services, education, training and job opportunities
- Improved quality of life and livability, making it easier to attract businesses and talent
- Optimisation of city operations and planning, improvement in city efficiency by enhanced situational awareness, real time collaboration and decision-making.
- Innovations in transportation, utilities, public safety, and environmental monitoring through intelligent sensor based Internet of things (IoT)

Challenges

Nevertheless, several challenges remain as the Program on this scale was never conceived before. Similarly each program or any independent government function has its own challenge. Not to mention the need for skilled human resources and strength required to execute these programs, deep coordination process integration with all concerned. Success can be achieved with deep commitment strong leadership with critical support when required.

SMALL CELLS – AN ADDITIONAL GROWTH OPPORTUNITY

Small cells are basically short-range (between 10 metres to 1 kilometre) mobile phone base-stations that bring the network closer to the user – they are a volume rather than a value business. Revenue is likely to be only a small fraction of that generated by a single tower. While small cells deployment is likely to grow at a CAGR of 80% over 5 year period till FY 2020, less than 35% of small cells may need towers. The rest may use urban infrastructure, such as electricity poles, traffic lights and outdoor hoardings. Over time, the revenue stream is likely to evolve around a mix of rental, service, and management fees for TowerCos for which they may need to enter into agreements with landlords and shopping malls to deploy small cells and offer management solutions. This evolving business models will require new skills.

Key features of small cell business is –

- Small cells / micro sites / Wi-Fi hotspots are small coverage technologies to 'off-load' telecom traffic from macro sites
- Small cell deployments would enable growth in data traffic
- In matured networks, small cells deployment outnumber macro cell sites
- Due to small size and less power requirement, small cells can be easily deployed on RTT and RTP sites
- Small cell deployment does not compromise tower site's future tenancy feasibility

Small cell tenancies will create additional revenue opportunity for towercos without the need of up-gradation capex.

DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

The Financial Year ('FY') 2016-17 is the tenth year of operations for the Company. The discussion and analysis of 'Results of Operations' and 'Balance Sheet' that follows are based upon the financial statements, which have been prepared in accordance with (INDAS), the Accounting Standards notified under the relevant provisions of the Indian Companies Act, 2013 as adopted consistently by the Company and the Combined Entity and guidelines issued by the Securities and the Exchange Board of India (SEBI), to the extent applicable. CNIL is consolidated as per equity method in the consolidated financial statements as mandated by Indian Accounting Standards and not as per line by line addition method. However, the amounts presented below are on standalone and combined entity basis including that of associate company CNIL for transperency and better comparison of performance.

The turnaround strategy was conceptualised and initiated from FY 2011-12 and implemented over 3 years. Hence, the results have been compared over the period of 3 years i.e. FY 2014-15 to FY 2016-17 to show impact of activities taken and subsequent SDR related changes.

Segment wise reporting

Both GIL and the Combined Entity are predominantly in the business of providing 'Telecom Tower and related infrastructure' on shared basis and as such there are no separate reportable segments.

Summary of financials for the Combined Entity

₹ Mn.

Parameter	FY 2016-17		FY 2015-16		FY 2014-15	
	GIL	Combined	GIL	Combined	GIL	Combined
Revenue**	9,521	22,860	9,128	21,455	8,906	19,831
Less:						
Infrastructure Operation & Maintenance Cost	4,544	10,365	4,598	10,025	5,100	10,843
Employee benefit expenses	185	528	244	585	256	586
Other expenses	335	711	328	608	311	601
Ind AS and Other Adjustments	2	41	152	322	-	-
Total Costs	**5,067**	**11,645**	**5,323**	**11,540**	**5,667**	**12,030**
Normalised EBITDA*	**4,454**	**11,216**	**3,805**	**9,915**	**3,238**	**7,801**
Normalised EBITDA%	**47%**	**49%**	**42%**	**46%**	**36%**	**39%**

US$ Mn.

Parameter	FY 2016-17		FY 2015-16		FY 2014-15	
	GIL	Combined	GIL	Combined	GIL	Combined
Revenue**	147	353	141	331	137	306
Less:						
Infrastructure Operation & Maintenance Cost	70	160	71	155	79	167
Employee benefit expenses	3	8	4	9	4	9
Other expenses	5	11	5	9	5	9
Ind AS and Other Adjustments	0.03	1	2	5	-	-
Total Costs	**78**	**180**	**82**	**178**	**87**	**186**
Normalised EBITDA*	**69**	**173**	**59**	**153**	**50**	**120**
Normalised EBITDA%	**47%**	**49%**	**42%**	**46%**	**36%**	**39%**

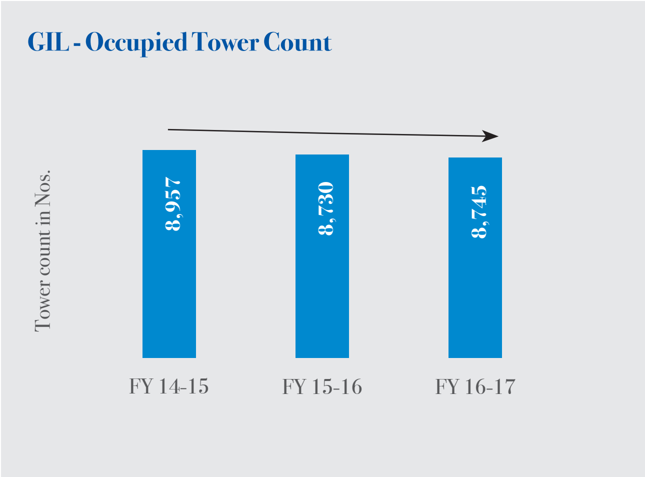
***Normalised EBITDA** is after considering all costs related to operations but excludes foreign exchange difference, SDR-Merger related expenses and other one time non-operational expenses.

Figures for FY 2014-15, 2015-16 and 2016-17 have been re-grouped/re-classified wherever necessary to make them comparable with that of the FY 2016-17.

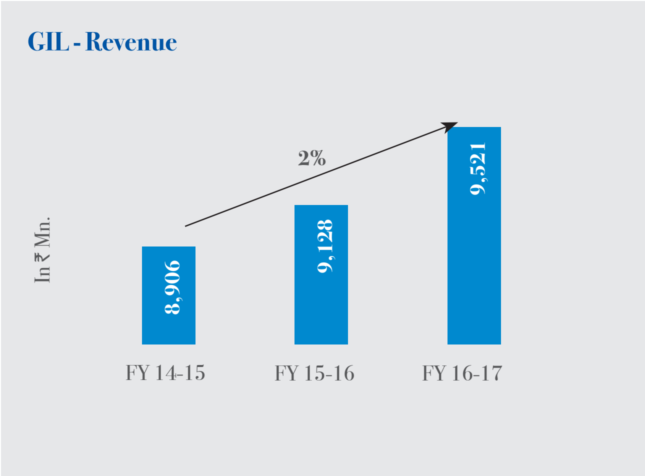
** Revenue excludes any outsourced arrangements with 3rd parties for some energy management contracts.

GIL – TOWER COUNT VS FINANCIAL AND OPERATIONAL PERFORMANCE PER OCCUPIED TOWER:

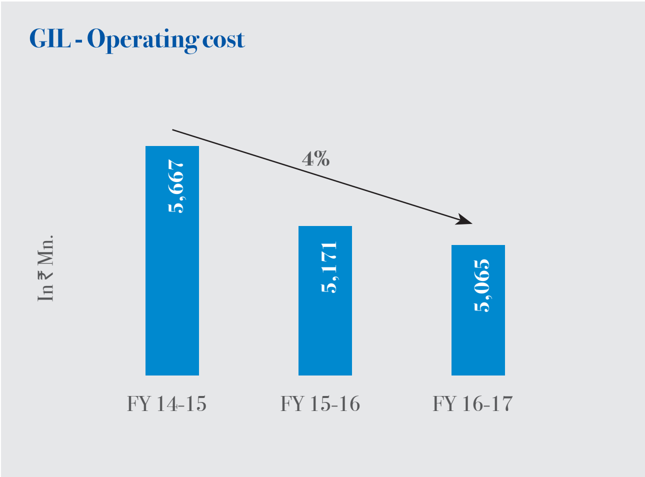
During the period under review GIL focused on capital conservation and improving operational efficiency...



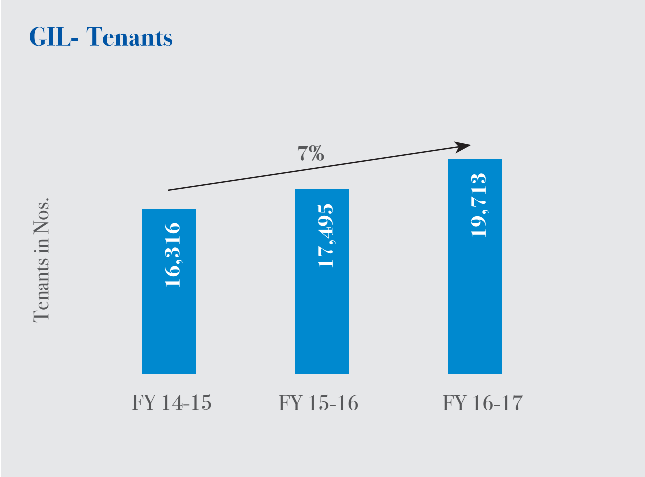
Revenues grew upon addition of new tenants from existing and new operators with a CAGR of 2%...



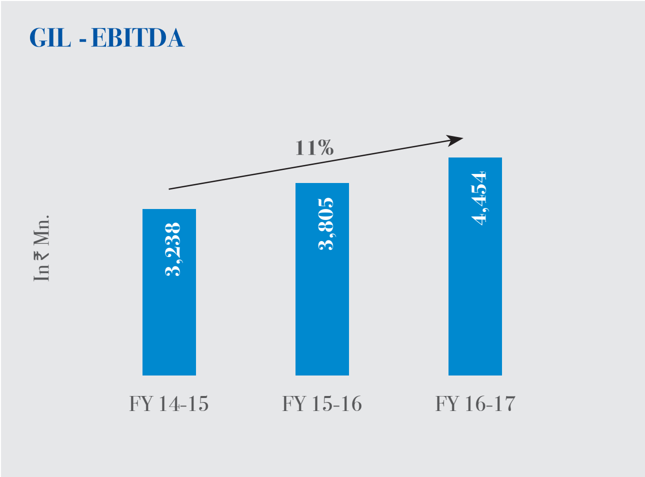
Network cost optimisation led to reduction in operating costs with a CAGR of 4%...



Tenancy Increased due to rollout of 3G and 4G services by existing and new operators with a CAGR of 7%



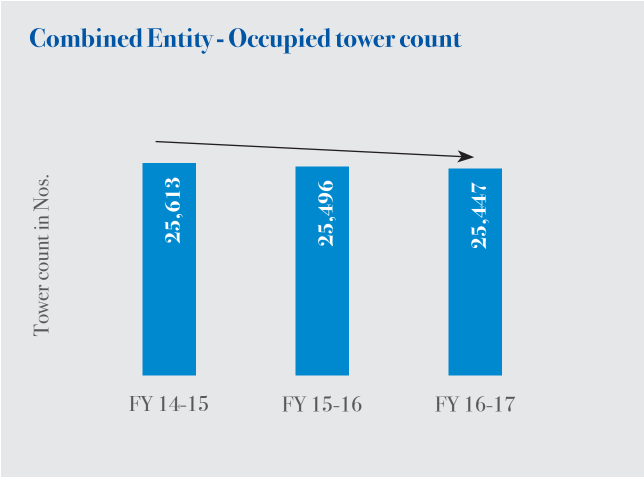
...improved network infrastructure, cost optimisation and revenue growth resulted in increase in EBITDA with a CAGR of 11% from FY 2014-15 to FY 2016-17



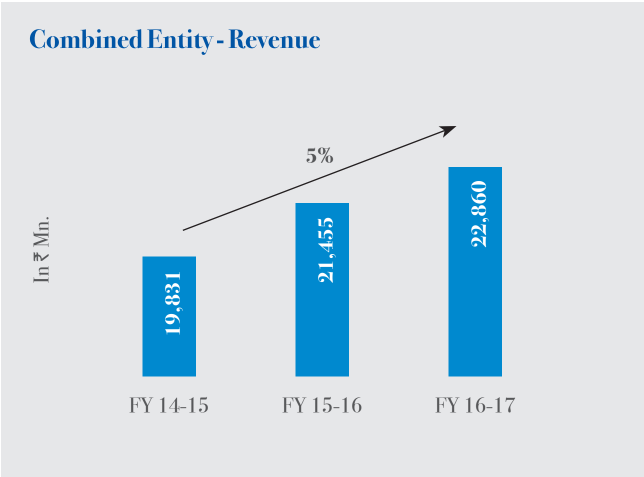

Management discussion

COMBINED ENTITY – TOWER COUNT VS FINANCIAL AND OPERATIONAL PERFORMANCE

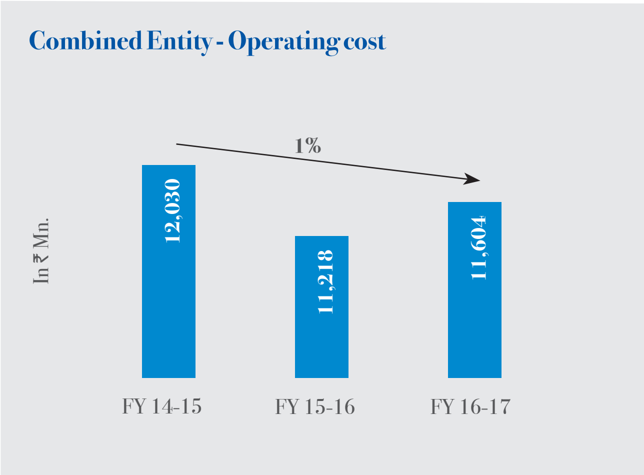
Due to industry consolidation, site exits, churn and license cancellation there was a marginal drop in occupied tower count, as we assisted/helped operators to re-align their business priorities



Despite the above ...
Revenues grew upon addition of new tenants from existing and new operators with CAGR of 5%...

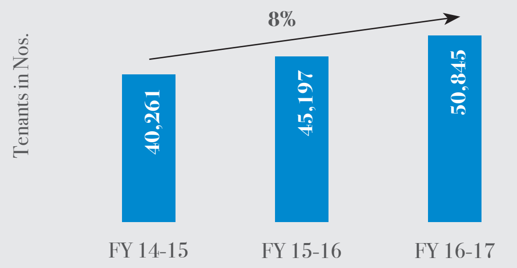


Network cost optimisation led to reduction in Operating Cost with a CAGR of 1%....



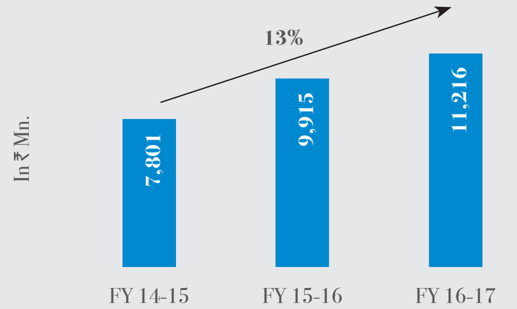
Tenants increased due to rollout of 3G and 4G services by existing and new operators with a CAGR of 8%

Combined Entity - Tenants



...improved network infrastructure, cost optimisation and revenue growth resulted in an increase in EBITDA by 13% CAGR from FY 2014-15 to FY 2016-17

Combined Entity - EBITDA



Revenue from Operations:

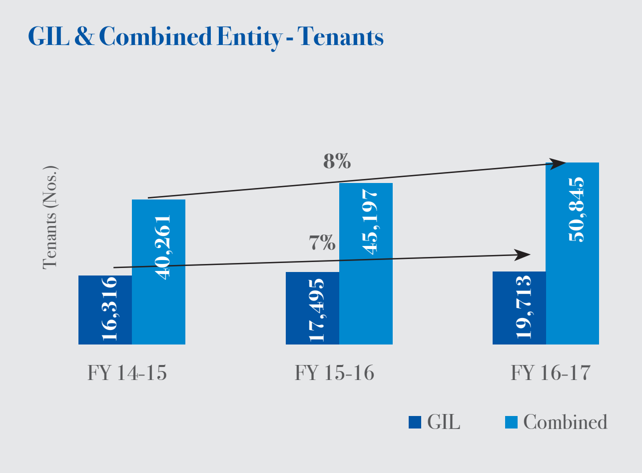
- The Company's revenue from operations has increased from ₹ 9,128 Mn. (US$ 141 Mn.) in FY 2015-16 to ₹ 9,521 Mn. (US$ 147 Mn.) in FY 2016-17

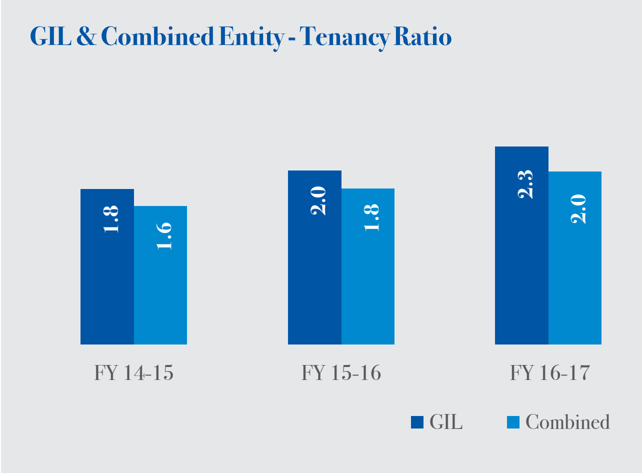
- The Combined Entity's revenue from operations has increased from ₹ 21,455 Mn. (US$ 331 Mn.) in FY 2015-16 to ₹ 22,860 Mn. (US$ 353 Mn.) in FY 2016-17.

The Company is a preferred service provider for any new operator due to its independent status and superior delivery capabilities and services standard.

The increase in revenue is mainly on account of growth in tenants. The dedicated efforts taken by the Company to improve network infrastructure and network uptime to take advantage of the fresh rollout by operators to cater to the increased demand of 3G and 4G data services of consumers. The Company has also re-vamped its delivery model by offering quick turnaround times for bringing new tenants online. The tower tenants of the Combined Entity has net growth from 40,261 tenants in FY 2014-15 to 50,845 tenants in FY 2016-17 registering a growth of 26%.

Tenants and tenancy ratio:
Inspite of challenging Industry conditions such as consolidation of service providers which, in the short-term will have an impact but in the long term it is expected to be beneficial as the operators will be more stable and provide good growth opportunities. As such the Combined Entity has been able to add net new tenants and improve on its tenancy ratio. For the Combined Entity the tenancy ratio has grown from 1.6x in FY 2014-15 to 2.0x in FY 2016-17 on the back of more than 12% growth in tenants in FY 2016-17.





Despite challenging conditions and realignment in the Industry the Combined Entity has been able to increase tenants

Other Income includes interest income, fair value gain on current investments, notional commission on financial guarantee and miscellaneous income etc.

- The other income of the Company stood at ₹ 149 Mn. (US$ 2.3 Mn.) in FY 2016-17 as compared to ₹ 177 Mn. (US$ 2.72 Mn.) in FY 2015-16.
- The other income of the Combined Entity stood at ₹ 288 Mn. (US$ 4.44 Mn.) in FY 2016-17 as compared to ₹ 294 Mn. (US$ 4.53 Mn.) in FY 2015-16.

Operating Expenses:

Infrastructure operations & maintenance cost (net of recovery) - (Infra O&M Cost)

The Infra O&M cost consists of rentals for cell site premises, cell site security costs, power and fuel expenses, cell sites operation & maintenance costs, annual maintenance charges for network assets such as diesel generators, air conditioners, battery banks, towers etc. Out of the above, major costs such as rent and power fuel are recoverable from customers as per contract.

₹ Mn.

GIL - Infrastructure operation & Maintenance cost	FY 2016-17	FY 2015-16	FY 2014-15
Site rental (net)	754	741	711
Power, fuel & maintenance charges (net)	208	494	675
Repairs & maintenance to plant and equipments	153	149	164
Stores & Spares consumption	2	6	4
Other operating expenditure	235	303	640
Total	**1,352**	**1,693**	**2,194**

₹ Mn.

Combined-Infrastructure Operation & Maintenance cost	FY 2016-17	FY 2015-16	FY 2014-15
Site rental (net)	2,044	1,917	1,976
Power, fuel & maintenance charges (net)	1,031	1,537	2,063
Repairs & maintenance to plant and equipments	443	403	427
Stores & Spares consumption	2	6	4
Other operating expenditure	864	988	1,624
Total	**4,385**	**4,851**	**6,094**

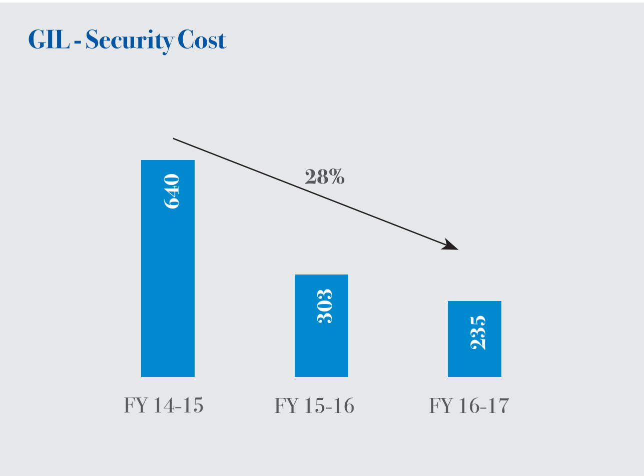
The figs mentioned above for site rental and power, fuel and maintenance charges are net of recovery from customers

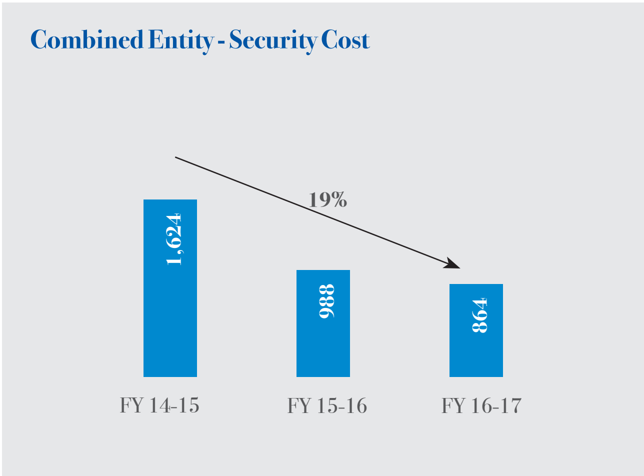
The Infrastructure O&M cost (net of recovery) of the Combined Entity, has reduced from ₹ 6,094 Mn. (US$94 Mn.) in FY 2014-15 to ₹ 4,385 Mn. (US$ 68 Mn.) in FY 2016-17. The decrease in cost is primarily attributable to various cost optimisation measures undertaken by the Company during the last 2 years.

Cost optimisation initiatives: Network cost optimisation was undertaken which has helped in reducing mainly security cost and power, fuel and maintenance charges.

A) *Security cost:* Initially a major portfolio of our towers were characterised by static security cost, thereafter from August 2014 onwards a security cost optimisation programme was initiated wherein static security was converted/replaced to Key Holder/ Beat Marshal model or by completely unmanning some of our sites. Security costs over the last 2 financial years have been reduced by ₹ 760 Mn. (US$ 12 Mn.). Despite new security mechanism, there has been no significant increase in thefts. Adequate measures have also been taken to further insure the sites

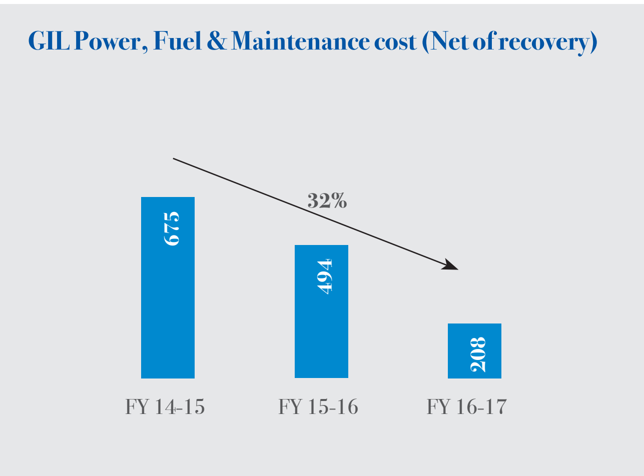
Security status	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
Guarded site count %	51%	52%	61%	62%
Unguarded site count %	49%	48%	39%	38%
Total %	**100%**	**100%**	**100%**	**100%**
Static guards count % of towers	25%	26%	54%	79%
KHA count as % of towers	20%	19%	6%	0%
Beat marshal count as % of towers	18%	21%	13%	0%

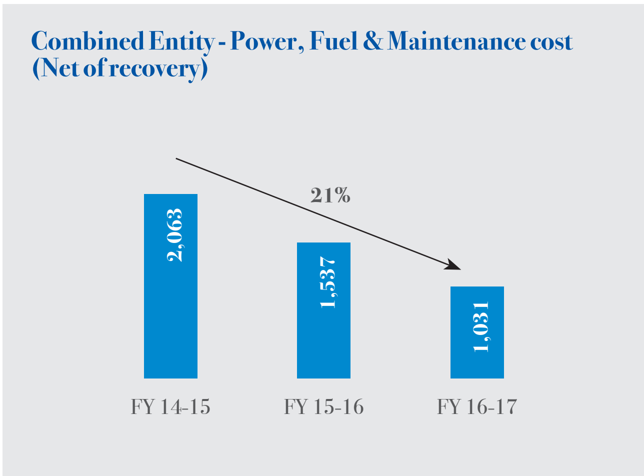




Innovative security measures helped to reduce cost by 19% CAGR for the combined entity

B) *Power, fuel and maintenance charges (net of recovery):* The Combined Entity has undertaken various measures to reduce power, fuel and maintenance charges by installing free cooling units, deep discharge and quick recharge batteries and signing of fixed energy contracts with customers. This has resulted in substantial savings of ₹ 1,031 Mn. (US$16 Mn.) in the aggregate for the Combined Entity.





Initiatives to increase power efficiency and automation reduced cost by 21% CAGR for the combined entity

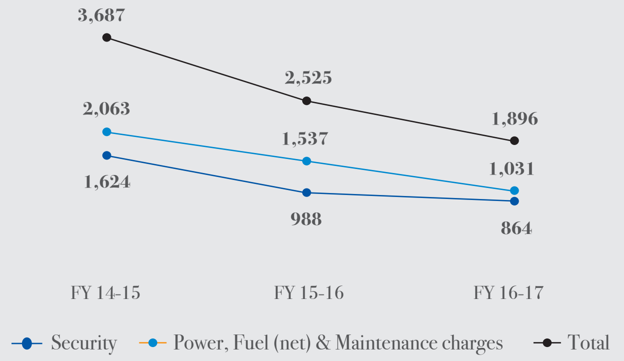
- Conversion of sites from indoor to outdoor
- Increase in grid connected sites
- Increase in efficiency of grid connected sites
- Deployment of new technology equipments to increase power efficiency
- Deployment of teams on the ground to keep a vigil on sites to control theft of power and fuel
- Signing of fixed energy contracts with various operators

Maintenance charges: Following measures were undertaken to reduce maintenance costs

- Optimising maintenance charges at un-occupied sites
- Introducing efficiency parameters such as
    - electrification
    - automation
    - site upgradation
    - DG free sites
    - Extensive remote monitoring of our sites and initiatives for green energy

Combined Entity security, power, fuel and maintenance charges: The Combined Entity has undertaken network cost optimisation initiatives over the last two financial years and has substantially reduced infrastructure operation & maintenance cost (net). This has resulted in substantial savings of ₹ 1,791 Mn. (US$ 28 Mn.) in the aggregate i.e. the cost has come down from ₹ 3,687 Mn. (US$ 57 Mn.) in FY 2014-15 to ₹ 1,896 Mn. (US$ 29 Mn.) in FY 2016-17.

Combined Entity - Security, Power, Fuel & Maintenance charges (net)



Network cost optimisation resulted in substantial savings, whilst scope exists for further optimisation.

NETWORK UPTIME AND SLA:

The Company has been consistently working to improve network uptime keeping in mind customer's requirements. The Company has formed various teams to track network performance and take necessary measures to control network outages by investing in new technologies/equipment and network support services via Network Operating Centre (N.O.C).

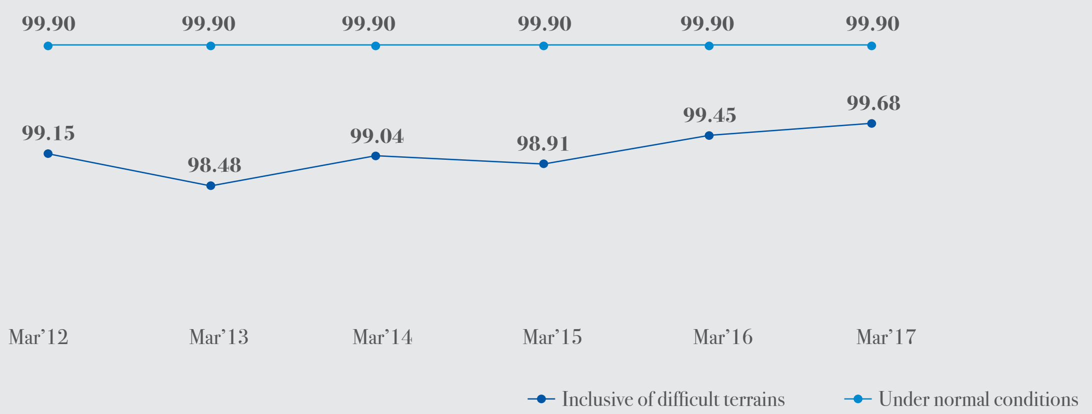
1. Network uptime performance:

a) 6 Years performance for GIL is given below:

Network Uptime	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
GIL (under normal conditions)	99.90%	99.90%	99.90%	99.90%	99.90%	99.90%
GIL (inclusive of difficult terrain)	99.68%	99.45%	98.91%	99.04%	98.48%	99.15%

Capex deployed	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
Combined CAPEX in ₹ Mn.	3,650	3,440	3,000	5,070	3,410	13,350
Combined CAPEX in US$ Mn.	56	53	46	78	53	206

Network uptime



Customer-centric focus and infrastructure modernisation has led to improved network uptime

Aircel had transferred inferior quality of assets, defective Passive Infrastructure, even certain sites were non-existing on the day of such transfer, deteriorated DG Sets and other faulty capex were transferred to CNIL and Global Group. Due to this, originally CNIL faced challenges related to low uptime, however in light of heavy investments on capex and rectification of faults, CNIL has improved its uptime after acquisition by making investments to rectify the assets.

b) CAPEX

The Combined Entity has invested capex judiciously for up-gradation of the network. This has resulted in substantial improvement in network uptime and reduced SLA penalties. Various projects were undertaken by deploying CAPEX at chronic SLA defaulting sites. CAPEX deployment for their business critical sites was also supported by customers such as RJIO, Vodafone, Tata Teleservices, Airtel and Aircel.

2. Electrification

The Company and 'Combined Entity' has constantly strived to increase grid connectivity of its sites to improve network uptime and reduce energy costs as of April '2017 the 'Combined Entity' has achieved 88% of EB electrified status for its sites

	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13
EB sites as a % of occupied Towers	88%	85%	82%	78%	76%

3. 'Diesel free' sites

The Company continues to focus on reduction of diesel consumption at tower sites through various initiatives of energy efficiency. Reducing carbon footprint has always been part of our corporate culture. We were one of the few companies to set up tower sites based on solar power based energy solution.

However, the Company was restrained from pursuing such 'green deployment' once it was admitted into the CDR. Despite this, the Company has continued to pursue electrification of its sites, deploy various solutions such as free cooling units, deep discharge batteries, quick recharge batteries, swapping of indoor sites to outdoor sites and integrated power management solutions which reduce diesel consumption. The Combined Entity has 7,875 'Diesel free' sites as of March 31, 2017

Employee benefit expense

The 'Employee Benefits Expense' includes salaries and allowances, contribution to provident fund, gratuity fund and other funds, employee welfare and related expenses.

Employee benefit expenses	FY 2016-17		FY 2015-16		FY 2014-15	
	GIL	Combined	GIL	Combined	GIL	Combined
In ₹ Mn.	185	528	244	585	256	586
In US $ Mn.	3	8	4	9	4	9
Manpower cost as % of revenue	2%	3%	3%	3%	3%	3%

- The Company's employee benefits expenses stood at ₹ 185 Mn. (US$ 3 Mn.) for FY 2016-17 as compared to ₹ 244 Mn. (US$ 4 Mn.) for FY 2015-16
- The Combined Entity's employee benefits expenses stood at ₹ 528 Mn. (US$ 8 Mn.) for FY 2016-17 as compared to ₹ 585 Mn. (US$ 9 Mn.) for FY 2015-16

Other expenses

This mainly comprises of professional fees, office rent and related expenses, travel and conveyance, insurance premium etc. The Combined Entity has been able to maintain this cost as a % of revenue in FY 2016-17 over that of FY 2014-15

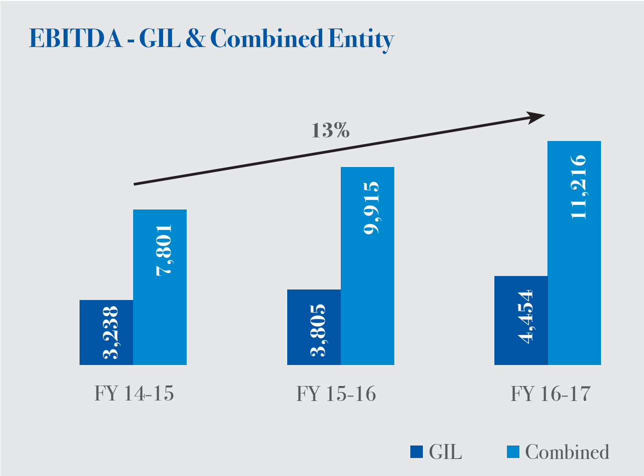
Other expenses	FY 2016-17		FY 2015-16		FY 2014-15	
	GIL	Combined	GIL	Combined	GIL	Combined
In ₹ Mn.	335	711	328	608	311	601
In US $ Mn.	5.2	11.0	5.1	9.4	4.8	9.3
Manpower cost as % of revenue	4%	4%	4%	3%	3%	3%

- Other expenses of the Company stood at ₹ 335 Mn. (US$ 5.2 Mn.) for FY 2016-17 as compared to ₹ 328 Mn. (US$ 5.1 Mn.) for FY 2015-16
- Other expenses of the Combined Entity stood at ₹ 711 Mn. (US$ 11 Mn.) for FY 2016-17 as compared to ₹ 608 Mn. (US$ 9 Mn.) for FY 2015-16.

Earnings before interest, taxes, depreciation and amortisation (Normalised EBITDA)

₹ Mn.

Entity	FY 2014-15	FY 2015-16	FY 2016-17
GIL	3,238	3,805	4,454
Combined Entity	7,801	9,915	11,216



EBITDA has increased by CAGR 13% for the combined entity

The Normalised EBITDA of the Company for FY 2016-17 has increased to ₹ 4,454 Mn. (US$ 69 Mn.) from ₹ 3,805 Mn. (US$ 59 Mn.) for FY 2015-16. The Normalised EBITDA of the Combined Entity for FY 2016-17 is ₹ 11,216 Mn. (US$173 Mn.) as compared to ₹ 9,915 Crore (US$ 153 Mn.) in FY 2015-16. EBIDTA of the Combined Entity has grown by a CAGR of 13% from FY 2014-15 to FY 2016-17.

The increase in EBITDA is on account of increased revenues due to consistent tenancy additions from FY 2014-15 to FY 2016-17 on account of fresh rollout of 3G and 4G network by OPCO and various cost optimisation measures undertaken by the Combined Entity in areas such as cell site security, energy management, in house repairs and maintenance have contributed to an increase in EBITDA. The increase in EBITDA has been despite site exits in the last 5 years.

	Peer company	
Particulars	FY 2016-17	FY 2015-16
EBITDA%	44%	44%

Combined entity (C.E.)			
FY 2016-17		FY 2015-16	
C.E.	C.E. & other EM	C.E.	C.E. & other EM
51%	44%	49%	42%

The Combined Entity's EBITDA is 51% in FY 2016-17 as provisioning of certain energy management solutions are outsourced to 3rd parties. If the same is considered as part of the Combined Entity the EBITDA at 44% is comparable to that of the peer company.

(For Ebitda comparison purposes the Combined Entity has followed the grouping of the peer company)

Depreciation, amortisation and impairment expenses etc.

- Depreciation, amortisation and impairment for FY 2016-17 was ₹ 2,391 Mn. (US$ 37 Mn.) as compared to ₹ 2,517 Mn. (US$ 39 Mn.) for FY 2015-16.
- Depreciation, amortisation and impairment for FY 2016-17 was ₹ 7,427 Mn. (US$ 115 Mn.) as compared to ₹ 7,652 Mn. (US$ 118 Mn.) for FY 2015-16.

Finance Costs (net)

Finance costs (net) comprises of interest expenses and bank charges, net of foreign exchange gain / loss. Finance cost for FY 2016-17 is based on effective interest rate as per IND AS on is recognised based on Effective Interest Rate (EIR) as per Ind AS.

Pre CDR and Post CDR

Finance Cost	Pre CDR	Post CDR											Post SDR	
	FY 2010-11	FY 2011-12		FY 2012-13		FY 2013-14		FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18E
	GIL	GIL	Combined	GIL	Combined	GIL	Combined	GIL	Combined	GIL	Combined	GIL	Combined	GIL	Combined*
In ₹Mn.	2,560	4,290	9,770	3,510	8,704	3,780	9,231	3,930	9,228	4,690	10,474	4,590	10,252	2,300	5,130
In US $ Mn.	39	66	151	54	134	58	142	61	142	72	162	71	158	35	79

Finance cost has significantly reduced post conversion of loan into equity from April 13, 2017. The full impact of this reduction will get reflected in FY 2017-18.

*Interest projected is based on SDR projections.

The current finance costs of ₹ 5,130 Mn. is further expected to reduce by

- refinancing the current high cost debt
- improved financials of the Company

BALANCE SHEET ITEMS

Equity

Equity share capital

The paid up equity share capital of the Company stood at ₹ 24,600 Mn. (US$ 379 Mn.) as on March 31, 2017 as compared to ₹ 23,360 Mn. (US$ 360 Mn.) as of March 31, 2016. Increase in equity share capital is attributable to conversion of FCCB Series A Bonds as detailed below:

GIL Shareholders funds	₹ Mn.
Equity capital as on March 31, 2016	23,360
Add: allotment of equity shares on account of FCCB	1,240
Equity capital as on March 31, 2017	**24,600**
Post SDR	
Equity capital as on April 1, 2017	24,600
Add: conversion of bank loan to equity shares	16,920
Equity capital as on April 13, 2017	**41,520**

GIL Shareholders funds	In US $ Mn.
Equity capital as on March 31, 2016	360
Add: allotment of equity shares on account of FCCB	19
Equity capital as on March 31, 2017	**379**
Post SDR	
Equity capital as on April 1, 2017	379
Add: conversion of bank loan to equity shares	261
Equity capital as on April 13, 2017	**640**

Other equity

Reserves and surplus as per erstwhile IGAAP has been re-classified as part of other equity as per INDAS
The following table explains movement in other equity of the Company

Particulars	₹ Mn.
Other equity as on March 31, 2016	(21,455)
Add: Foreign exchange difference	546
Less: Conversion of FCCB bonds into equity shares	1,237
Less: Loss for the year	3,026
Other equity as of March 31, 2017	**(25,172)**

Particulars	In US$ Mn.
Other equity as on March 31, 2016	(331)
Add: Foreign exchange difference	8
Less: Conversion of FCCB bonds into equity shares	19
Less: Loss for the year	47
Other equity as of March 31, 2017	**(388)**

Loan Funds:

Gross Borrowings:

Pre SDR ₹ Mn.

Secured debt	March 31, 2017		March 31, 2016	
	GIL	Combined	GIL	Combined
Rupee term loans:				
Banks & financial institutions	30,425	77,176	32,105	82,317
Add: Current maturities of long term debts	3,586	8,910	2,025	4,016
Net Total Rupee term loans	**34,011**	**86,085**	**34,130**	**86,332**
Foreign currency loans:				
Financial institutions	519	519	615	615
Total	**34,530**	**86,605**	**34,745**	**86,947**

Post SDR - April 13, 2017

₹ Mn.

Debt	GIL	Combined
Rupee term loans:		
Banks & financial institutions	17,720	41,410
Foreign currency loans:		
Financial institutions	519	519
Gross debt	**18,239**	**41,929**

The borrowings (including current maturities) of the Company as on March 31, 2017 stood at ₹ 34,530 Mn. (US$ 533 Mn.) as against ₹ 34,745 Mn. as at March 31, 2016 (US$ 536 Mn.). It mainly comprises of, rupee term loans and foreign currency term loans.

The borrowings (including current maturities) of the Combined Entity as on March 31, 2017 stood at ₹ 86,605 Mn. (US$ 1,336 Mn.) as against ₹ 86,947 Mn. as at March 31, 2016 (US$ 1,341 Mn.). It mainly comprises of rupee term loans and foreign currency term loans

The Company is in process of restructuring its series B FCCBs by way of exchange of new FCCBs. The CDR lenders have accorded their consent for proposed restructuring of FCCBs. Post proposed restructuring, which is subject to Regulatory approvals and bondholders consent, status of FCCBs would be as follows:

FCCB

Particulars	US $ Mn.
FCCBs allotted in 2012	319
converted/cancelled till date	102
Balance as on March 31, 2017	**218**
Less: FCCBs compulsorily convertible into equity shares on November 8, 2017	24
Less:FCCBs Compulsorily Convertible into equity shares within 5 years from date of proposed Restructuring *	94
Balance FCCBs Post restructuring due in 2022	**100**

This includes compulsorily convertible FCCBs to be issued against part of principal amount of series B FCCBs. The amount of compulsorily convertible FCCBs to be issued against early redemption premium and interest amount due on FCCBs in terms of proposed restructuring will be ascertained only upon completion of restructuring process.

Gross Borrowings in US$ Mn.

Pre SDR | US$ Mn.

Secured debt	March 31, 2017		March 31, 2016	
	GIL	Combined	GIL	Combined
Rupee term loans:				
Banks & financial institutions	469	1,191	495	1,270
Add: Current maturities of long-term debts	55	137	31	62
Net Total Rupee term loans	**525**	**1,328**	**526**	**1,332**
Foreign currency loans:				
Financial institutions	8	8	9	9
Total	**533**	**1,336**	**536**	**1,341**

Post SDR - April 13, 2017

US$ Mn.

Debt	March 31, 2017	
	GIL	Combined
Rupee term loans:		
Banks & financial institutions	273	639
Foreign currency loans:		
Financial institutions	8	8
Gross debt	**281**	**647**

Post SDR Scenario

The lenders of the Company and CNIL, based on the recommendation of the management, invoked SDR scheme for both the companies respectively with review and reference date as September 20, 2016. In term of SDR scheme, the lenders of the Company and CNIL converted respective portion of their debt (including outstanding interest) to the tune of ₹ 1,692.22 Mn. and ₹ 2,808.96 Mn. respectively into equity share capital of the Company and CNIL, thereby holding 51% of the equity share capital (on a fully diluted basis) i.e after FCCB conversion of GIL and CNIL, respectively.

The following tables reflect the position of net debt post expected FCCB restructuring

GIL

Post SDR	₹ Mn.	US$ Mn.
Secured debt	18,239	281
Add: Unsecured debt	6,483	100
Total debt	**24,722**	**381**
Less:		
Cash & bank balance	402	6
Current investments	60	1
Net debt	**24,260**	**374**

Combined

Post SDR	₹ Mn.	US$ Mn.
Secured debt	41,929	647
Add: Unsecured debt	6,483	100
Total debt	**48,412**	**747**
Less:		-
Cash & bank balance	1,228	19
Current investments	596	9
Net debt	**46,588**	**719**

The Company is in process of restructuring the foreign currency convertible bonds, subject to necessary statutory approvals and bondholders' consents. Accordingly, net debt of the Company along with CNIL, post allotment and assuming the proposed restructuring of FCCB, would be around ₹ 46,588 Mn. (subject to confirmation and reconciliation with the lenders). On the basis of the analysis conducted by Ernst & Young, it is believed that at the said debt levels, (barring any unforeseen events)would now be sustainable based on the current cash flows itself.

Property, plant and equipment

- The net block including capital work-in-progress of the Company as on March 31, 2017 stood at ₹ 31,817 Mn. (US$ 491 Mn.). The capital work-in-progress comprises mainly of capital goods inventory and its carrying costs.
- The net block including capital work-in-progress of the Combined Entity as on March 31, 2017 stood at ₹ 100,079 Mn. (US$ 1,544 Mn.). The capital work-in-progress comprises mainly of capital goods inventory and its carrying costs.

Gross current assets

₹ Mn.

Current assets	March 31, 2017		March 31, 2016	
	GIL	Combined	GIL	Combined
Inventories	3	3	5	5
Investments	60	596	99	690
Trade receivables	647	1,432	852	2,145
Cash and cash equivalents	378	705	462	869
Other bank balances	25	523	23	675
Loans	174	317	438	580
Other current assets	1,399	3,119	1,617	3,136
Total	**2,686**	**6,695**	**3,497**	**8,099**

- The current assets of the Company stood at ₹ 2,686 Mn. (US$ 41 Mn.) as on March 31, 2017 as compared to ₹ 3,497 Mn. (US$ 54 Mn.) as on March 31, 2016. The current assets primarily consist of trade receivables, cash and cash equivalents, opex advances, loans in the nature of other advances etc.
- The current assets of the Combined Entity were ₹ 6,695 Mn. (US$ 103 Mn.) as on March 31, 2017 as compared to ₹ 8,099 Mn. (US$ 125 Mn.) as on March 31, 2016. The current assets primarily consist of trade receivables, cash and cash equivalents, opex advances, loans in the nature of other advances etc.
- The reduction in current assets over the previous year is on account of timely collection of receivables

US$ Mn

Current assets	March 31, 2017		March 31, 2016	
	GIL	Combined	GIL	Combined
Inventories	0.1	0.1	0.1	0.1
Investments	1	9	2	11
Trade receivables	10	22	13	33
Cash and cash equivalents	6	11	7	13
Other bank balances	0.4	8	0.4	10
Loans	3	5	7	9
Other current assets	22	48	25	48
Total	**41**	**103**	**54**	**125**

Current Liabilities

This primarily consists of interest dues payable, provisions towards operational expenditures and statutory dues etc.

Pre - SDR

Current Liabilities	March 31, 2017				March 31, 2016			
	GIL	Combined	GIL	Combined	GIL	Combined	GIL	Combined
	₹ Mn.	₹ Mn.	US$ Mn.	US$ Mn.	₹ Mn.	₹ Mn.	US$ Mn.	US$ Mn.
Trade payables	407	665	6	10	186	461	3	7
Current maturities of:			-	-			-	-
1. Rupee term loans from banks and financial institutions	3,586	8,910	55	137	2,025	4,016	31	62
2. Foreign currency convertible bonds (FCCBs)	14,417	14,417	222	222	-	-	-	-
3. Foreign currency term loans from financial institution	209	209	3	3	169	169	3	3
4. Interest accrued and due on long-term borrowings	1,706	3,136	26	48	1,263	2,236	19	34
Other current liabilities	2,650	4,659	41	72	2,119	3,815	33	59
Total Current liabilities as on March 31, 2017	**22,976**	**31,996**	**354**	**494**	**5,762**	**10,697**	**89**	**165**
Less: Current maturities*			-	-			-	-
FCCB	14,417	14,417	222	222	-	-	-	-
Rupee term loans from banks and financial institutions	3,586	8,910	55	137	2,025	4,016	31	62
Foreign currency term loans from financial institution	209	-	3	-	169	169	3	3
Interest accrued and due on long-term borrowings	1,706	3,136	26	48	1,263	2,236	19	34
Total Current Liabilities Post SDR as on April 13, 2017	**3,057**	**5,533**	**47**	**85**	**2,305**	**4,276**	**36**	**66**

* *Reduced post SDR & FCCB restructuring*

- As stated above, the current liabilities of the Company were ₹ 3,057 Mn. (US$ 47 Mn.) as on March 31, 2017 as compared to ₹ 2,305 Mn. (US$36 Mn.).

- The current liabilities of the Combined Entity were ₹ 5,533 Mn. (US$ 85 Mn.) as on March 31, 2017 as compared to ₹4,276 Mn. (US$66 Mn.) as at March 31, 2016.

- As on March 31, 2017, there are outstanding Series B FCCBs of ₹ 14,417 Mn. (US$ 193.53 Mn.) which are maturing in November 2017. Accordingly in the balance sheet for FY 2016-17 they are appearing under the heading Current Liabilities. The Company is in the process of restructuring these FCCB's subject to necessary statutory and bondholders consent. Post restructuring the new FCCB's with a maturity of 5 years are proposed to be issued in exchange of current FCCBs. As such the re-structured FCCB's have been continued to be disclosed as part of the unsecured loans.

- Similarly, the current maturities in respect to rupee term loans from banks and financial institutions though shown under current liabilities in the balance sheet have been disclosed here under secured borrowings for the purpose of comparison.

STRATEGIC DEBT RESTRUCTURING

GTL Infra and Chennai Network Infrastructure Limited (CNIL) had undertaken Corporate Debt Restructuring (CDR) exercise under the aegis of CDR Mechanism in July, 2011. Post implementation of the CDR package, for reasons beyond the management control, the adverse conditions relating to the telecom sector as disclosed from time to time had material adverse impact on the achievements of the CDR projections.

The Company has been able to meet its repayment obligations till June 30, 2016 from out of its cash accruals and realisation from current assets. However, in view of the substantial developments as aforesaid which have had a significant impact on the financial performance of GTL Infra/CNIL, it became necessary to consider reduction of debt in near future.

Further to the recommendation of the Board at its meeting held on September 19, 2016, at the JLF meeting held on September 20, 2016, the Rupee lenders reviewed the account and after deliberations, invoked the Scheme for Strategic Debt Restructuring as per guidelines issued by the Reserve Bank of India (RBI). The SDR Scheme envisages the following:

1. Participation by the Rupee Lenders in the equity share capital of the Company; and
2. Sale of stake to a new promoter (New Investor)

The Rupee Lenders also recognise that the merger of CNIL into GTL Infra is proposed and it is the intention of the parties to introduce New Investor in the merged entity.

Accordingly, on April 13, 2017, the Company and CNIL allotted equity shares respectively to the lenders upon conversion of part of the outstanding debt into equity shares such that each set of lenders, hold 51% of the equity share capital (on a fully diluted basis) of GTL Infra and CNIL, respectively, details of which are as follows:

Sr. No.	Particulars	GTL Infra	CNIL
1.	No. of lenders to whom equity shares allotted	21	13
2.	No. of equity shares allotted	1,692,215,807	2,808,955,393
3.	Amount of debt converted into equity shares	₹ 16,922 Mn.	₹ 28,089 Mn.
4.	Equity share capital post allotment	₹ 41,523 Mn.	₹ 94,045 Mn.

Investor Induction:

After successfully completing first milestone of allotment of equity shares to lenders upon conversion of debt within a period of 210 days from the date of review and reference date, GTL Infra and CNIL initiated the process of inducting New Investor. The Board took following steps to ensure greater transparency in the SDR process in order to safe guard the interests of the lenders and the minority public shareholders.

a) Constitution of the Independent Committee

Mr. Manoj G. Tirodkar, the non-executive Chairman of the Company and the representative of the Promoters, had informed the Board of the obligations owed by GTL Limited (GTL) towards its own lenders, including the monetisation of assets of GTL. Mr. Tirodkar had therefore informed the Board that he would, in the spirit of keeping the SDR process as transparent as possible, prefer that the role of final identification of a potential investor including all decisions related to implementation of SDR be left to be decided by an independent committee of the Board.

Accordingly, to ensure greater transparency in the SDR process, in order to safe guard the interests of the lenders and the minority public shareholders, the Board constituted the Committee consisting of three Independent Directors, namely Mr. N. Balasubramanian, Dr. Anand P. Patkar and Mr. Vinod B. Agarwala ('Committee'). The Committee would be chaired by Mr. N. Balasubramanian. The Committee has also invited Dr. K. C. Chakrabarty (former Deputy Governor of the RBI), Mr. G. N. Bajpai (former Chairman of the Securities and Exchange Board of India) and Mr. Shailesh V. Haribhakti (Eminent Chartered Accountant, Chairman and Trustee of the National Pension System Trust) as special invitees to assist the Committee in discharging its functions and to further the interests of the lenders and minority shareholders.

b) Transparent Bidding Process

The Board/Committee noted the guidelines issued by the RBI regarding the sale of stressed assets, which stipulate an open and transparent process for better price discovery. The Board/Committee felt that it would be in best interests of the lenders and the public shareholders of the Company to follow the spirit of the RBI guidelines in so far as it related to the induction of the new investor pursuant to the SDR Scheme. Accordingly, the Board/Committee recommended the adoption of a transparent bidding process, for the identification of the New Investor.

c) Appointment of Advisors

Ernst & Young ('E&Y') have been appointed on behalf of the lenders to take forward the SDR process including the investor induction process. Additionally, the Company has also engaged TAP Advisors ('TAP'), an investment banker specialising in telecommunication infrastructure space. E&Y and TAP (collectively the 'Investment Bankers'), along with existing advisors, are collaboratively driving the process of price discovery and finding suitable investors as envisaged under the SDR process, which will be approved by the lenders.

The Company along with the promoters, lenders and bondholders are working together to ensure realisation of maximum value for debt and equity on induction of New Investor, which will benefit all the stakeholders including minority shareholders.

In this respect, the Company has made several submissions with Stock Exchanges vide its letters dated September 19, 2016, October 20, 2016, November 28, 2016, March 17, 2017, April 13, 2107 and April 17, 2017.

RISK MANAGEMENT

This report, prepared in accordance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provides an overview of key strategic risks, the Company's risk control framework and its approach to risk management.

Shareholders and other readers are cautioned that the risks outlined here are not exhaustive and are for information purpose only. New risks and uncertainties arise from time to time and it is impossible for us to predict these events or how they affect us.

I. Introduction – Objectives and Approach

- The Company conducts risk management activities covering all of its operations with the aim of taking preemptive actions to mitigate sources of risk, that is, any factors that could potentially impede the accomplishment of business objectives.

- At the Company, risk management is important to the operating structure of the group and functions in parallel with the development and execution of management strategies. The Company's senior management and core functional officers, being the Chairman, Chief Financial Officer, Chief Operating Office and the legal and secretarial teams, as a matter of routine, assess potential operating and strategic risks informally in order to ensure that the Company at all times has a mitigation plan. The Company believes that by combining these two functions, it is better positioned to accomplish its business objectives and to increase its value.

- The Company seeks to achieve an appropriate balance between risk and reward, and continue to build and enhance the risk management capabilities that assist in delivering the growth plans in a controlled environment. Thereby, the Company seeks to limit adverse variations in earnings and capital by managing risk exposures within agreed levels of risk appetite.

II. Market Risks

- Revenues from our existing business lines are dependent on the sustainability of the telecommunications sector ('**Telecom Sector**'), which in turn is dependent on several macroeconomic factors, such as the growth of the Indian economy, favourable interest rates, increased transparency and certainty in the regulatory environment and the cost of spectrum and increased competition overall stability of the Indian telecom sector.

- Based upon the spectrum auctions, the license charges paid by the telecommunications operators ('**Telecom Operators**') will continue to impact the net margins of the Telecom Operators. Hence, the increased capital charges (the interest outgo on account of debt raised for 3G network rollout, and the amortisation of spectrum charges) would place additional pressure on Telecom Operators' bottom lines.

III. Industry Risks

- **Medium-term Credit Risk**
  During the last few years, the Telecom Sector has been adversely affected by the general economic slowdown and various other factors, such as slower growth of 3G technology, delayed spectrum auctions and inflationary power and fuel costs, resulting in a cash flow crunch. All Telecom Operators have increased pressure on earnings and debt servicing. While, in the last financial year there was an upward swing in the sector, the entry of new operators, offering free voice and data services and aggressive tariff structures has now placed an additional burden on the top-line of the Telecom Operators. This may impact payment obligations of the Telecom Operators in the short to medium term. As a vendor to these Telecom Operators, the Company is currently facing a medium credit risk. However, the Company believes that the entry of new operators will eventually result in growth (as was previously envisaged) in the long-term, which is expected to generate incremental cash flows for the Company.

- **Operator Consolidation**
  Initially, the telecom market in India was severely fragmented with more than 14 players at one point of time. The average revenue per user in India is amongst the lowest in the world. More so, in recent years, the industry has been through a phase of hyper-competition (especially in the last financial year), resulting in consolidation amongst operators with the possibility of phasing out many of the incumbent players. The consolidation of operators (such as the merger of Vodafone with Idea, Airtel with Telenor and Reliance Communications Limited ('**RCom**') with Aircel) may lead to co- location churn for tower companies due to consolidation and rationalisation of network. The Company proposes to leverage existing lock-in arrangements in its contracts with operators to procure commitments for fresh towers or sites in lieu of towers or sites made redundant as a result of consolidation.

- **Liquidity Risk**
  Pursuant to a tax dispute filed by various municipal corporations, in December 2016, the Supreme Court ordered that property tax may be levied on mobile towers. While, the industry is exploring options to challenge or review the order of the Supreme Court, the adverse ruling means significant


Employee discussion board

additional costs for telecom and tower operators, resulting in a strain on liquidity. The Company has agreements with some of its customers for passing on the property tax liability and is currently negotiating similar rights with all its customers, so the Company may be in a position to recover additional costs. In addition, under the TRA waterfall mechanism, the priority is given to statutory levies from the available cash flow.

At this moment, it is not possible to ascertain exact amounts involved. However, the Company has challenged the property tax demands raised by the respective Municipal Corporations.

IV. Strategic Risks

- **Concentration Risk**

  There is a high concentration risk for the Company for the following reasons:

  - The Company operates primarily in one sector namely, the Telecom Sector.
  - The customer base is limited to number of Telecom Operators in India (which is dependent on the cancellation or non-renewal of licenses). The number of Telecom Operators has decreased significantly, from 22 in 2011 to 12 operators currently and this number is expected to further fall to 4 or 5 by 2019 if the currently announced merger among telecom operators is concluded.

- Increasing number of competitors and aggressive pricing amongst telecom and tower operators.

- **Strategic Debt Restructuring Risk**

  - While the Company had been servicing its payment obligations to its lenders, the financial stress on the telecom sector in general made it necessary for the Company to pare its debt to sustainable levels. The Board of Directors of the Company at its meeting held on September 19, 2016, had recommended the invocation and implementation of the Strategic Debt Restructuring Scheme ('**SDR**') for the Company. At the meeting of the Joint Lender Forum ('**JLF**') held on September 20, 2016, invoked SDR Scheme and in terms thereof, part of outstanding debt of the Company was converted into equity shares such that JLF now holds 51% of the equity share capital of the Company (on a fully diluted basis). The SDR Scheme requires that the JLF lenders divest a minimum of 26% of the share capital of the Company to a 'new promoter' (as defined under the SDR scheme). Induction of a new promoter and thereby completion of the SDR is firstly dependent on identification of an investor and approval of the investor by the JLF. Further, completion of the sale in a timely manner will also require regulatory approvals and shareholder approvals. Ernst & Young and TAP Advisors are engaged to manage the sale process. While the Company, the promoters and the JLF are working to complete the sale within the prescribed deadline, any delay may impact asset classification.

- Further, the SDR Scheme also envisages the merger of CNIL into the Company. It is proposed that the sale to a 'new promoter' be undertaken on a merged entity basis to extract maximum value. Given that the merger involves regulatory approvals and approvals from the National Company Law Tribunal, there is a risk that such merger may not be completed in time. That having been said, the Company believes that the merger process should be completed by December 2017 (subject to receipt of necessary approvals of statutory authorities) which is essential to maximise value for lenders and minority investors.

- **Customer Concentration Risk**
  - Aircel is the Company's largest customer, contributing 16% of the Company's revenue and 61.50% of CNIL's revenue. Aircel accounts for 42.57% of the revenue of the combined entity.
  - In ongoing judicial proceedings before the Supreme Court against the promoters of Aircel, the Supreme Court in its initial order threatened suspension of revenue being earned by Aircel from certain spectrum as a deterrent to procure the presence of its promoters before the relevant courts in India. Subsequently, upon review of its proposal, the Supreme Court is examining alternate means to ensure presence of the promoters of Aircel. Any order passed by the Supreme Court which adversely impacts Aircel, will materially impact both the Company and CNIL. The Company, CNIL and other affected parties have filled necessary legal representations before the Supreme Court to protect their respective interests.
  - The Aircel Group and RCom signed an agreement in September, 2016 to merge their respective wireless business. The merger will result in a combined entity with RCom and the promoters of Aircel holding 50% each. RCom has been delaying and defaulted on some of its payments to the Company. The Company believes that this is also the case with other vendors of RCom. As such, the Company has concerns regarding the merged entity's sustained ability to make timely payments to its vendors. Moreover, the Company is also concerned that the sponsor support undertaking pursuant to which the promoters of Aircel were financially supporting Aircel, may not continue post the merger. As a consequence, the Company envisaging to file objection in the proposed merger, seeking an unsecured creditors' meeting so as to procure assurance (to the Company's and its JLF's satisfaction) or an appropriate bankable commitment from RCom/ Aircel that the Company's interests will also be protected.
- **Foreign Currency Convertible Bonds Risk**
  - The Company had restructured its foreign currency convertible bonds ('**FCCBs**') in 2012. In terms thereof, US$ [207] Mn. was structured as redeemable bonds, which were due for redemption in November 2017. Consistent with the contours of the SDR Scheme, the Company has arrived at an in-principle approval with the bondholders to restructure the existing Series B FCCBs (i.e. the redeemable series) such that out of the total outstanding FCCBs, only US$ 100 Mn. would remain redeemable with the balance being mandatorily convertible. While an in-principle approval has been arrived at the restructuring is subject to final agreement with the FCCB holders, approval of the FCCB holders at a general meeting of bondholders and regulatory approvals. If the restructuring of the FCCBs is not completed in time, there is a risk that the Company will not be in a position to redeem the bonds in November 2017 resulting in defaults and cross defaults. This may also impact the SDR sale process. That having been said, the Company believes that the restructuring should be completed in time and is currently actively engaged with the bondholders on this exercise.
  - The terms and conditions of the Series A FCCBs, which are otherwise compulsorily convertible into equity upon maturity, provide that principal will become immediately due and payable upon certain events of default under such Series A FCCBs, which include certain cross-defaults triggered by defaults under other debt instruments. The Company received a notice of acceleration from the trustee of the Series A FCCBs, at the direction of a holder of 25% or more of the Series A FCCBs, based on a cross-default triggered by a delinquent interest payment on the Series B FCCBs. If the principal amount of the Series A FCCBs becomes immediately due and payable, the Company may not be able to satisfy such obligations. However, the Company particularly due to series A being compulsorily convertible is of the view that there is no basis whatsoever for an acceleration of the Series A FCCBs as there is no event of default subsisting under the Series B FCCBs and has informed the trustee of this in writing.
- **Competitive Risks**

  The competition is intense among the incumbent tower companies. The Company is one of the largest independent tower companies in the country and should ideally be able to leverage this to gain more tenancies. The much awaited 4G network rollouts by operators should also provide opportunities for growth and the Company is a leading independent telecom infrastructure provider today. However, the Company could face stiff competition from tower companies that have strategic alliances with operators. However, given the fairly limited number of operators, the scope for collaboration is also limited.

V. Operational Risks

- **Supply Chain Risk**
  - The Company requires materials and services for tower upgradation and preventive maintenance of passive infrastructure. Delay in supplies of such materials and services, may impact smooth functioning of business operations resulting into penalties and claims for damages by customers.
  - Additionally, suppliers may tighten credit and other terms that they may be extending to the Company thereby increasing the liquidity strain on the Company and hampering its ability to deliver projects and running operations on a timely basis.

- The Company faces high operational level challenges for the energy management business like payment settlement issues, invoicing and addressing of concerns. In order to streamline the energy management operations, the Company is focusing on arranging fixed energy contracts with the customers.

- **Manpower Risks**
  The Company has faced several challenges relating to the macro environment, the issues faced by the Telecom Sector and its previously unsustainable debt. With the conversion of debt into equity pursuant to the SDR Scheme, the issue of debt appears to have been addressed. However, the SDR scheme also envisages the induction of a new promoter. This transition may lead to increased levels of attrition, resulting in challenges in project execution and service delivery. This may also act as deterrent to recruitment of quality manpower to replace those who leave the Company for the any of the above reasons or otherwise.

- **Network Equipment Risks**
  Network equipment such as diesel generators, battery bank, power supply equipment (SMPS) and air conditioner ageing towards end of life. Improper functioning of these equipment may impact smooth functioning of business operations resulting into penalties and claims for damages by customers.

- **Goods and Services Tax ('GST')**
  From July 01, 2017, the Government of India proposes to introduce a comprehensive national 'Goods and Services Tax', as applicable in India ('GST') regime that will simplify and harmonise the indirect tax regime. This GST regime will subsume most of the central and state indirect tax laws and levies into one unified rate structure. While both the Government of India and other state governments of India have publicly announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, the Issuer is unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalised tax structure might be affected by any disagreement between certain State governments, which could create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

VI. Legal and Compliance Risk

- Legal and compliance risk may arise from occasional non-adherence to timely deliverables and service level agreements (SLA), for the reasons mentioned above and some cases beyond company and management control is specially where certain operators default on their contractual obligation to pay in a timely manner.

- It takes adequate insurance cover to protect against possible liabilities from non-performance of contracts, reviewing them continually and initiating corrective action. As a policy, open-ended contracts with open-ended obligations are rejected.

- The Company has a large talented and committed legal and compliance team and each quarter, a compliance report setting out the areas of regulatory compliance in detail is submitted to the Board of Directors however several such external risks keep cropping up given ever changing rules, regulations and laws.

- The Company is not regulated by the regulatory agency and faces the general regulatory environment that is prevalent in the country. However, the customers in the telecom sector are regulated by Telecom Regulatory Authority of India.

VII. Environmental Risk

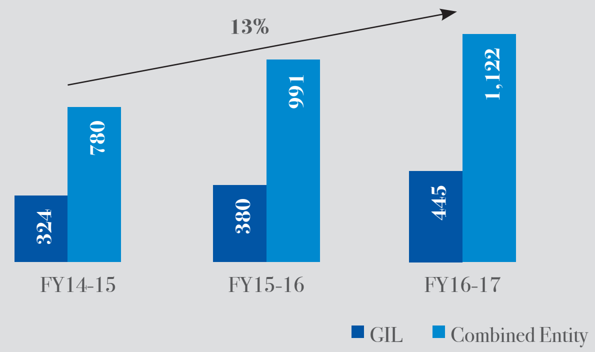
The Company's networks are subject to risk from natural disasters or external factors. The Company maintains insurance for its assets which cover for damages caused by fire, special perils and terrorist attacks. However, disruption to the Company's network from natural calamities, though temporary in nature, is always a possibility. There are some environmental concerns from citizens groups as well. EMF radiations are the invisible electric and magnetic forces arising from the active infrastructure installed at telecom towers. In the recent past some citizens groups have raised concerns around the radiations and its ill effects. Any litigation concerning this and resultant adverse orders, could affect tower business. It may be noted that EMF radiation norms in India are more stringent than in Europe and non-adherence can invite hefty fines from regulator. Also, there has been no conclusive evidence as such of the ill effect of radiations on human health. The Department of Telecommunications ('DoT') has recognised campaigns and media articles. Also, DoT has set up 'TERM Cells' to monitor the radiations and certify the locations.

TOP 3 RISKS AND MITIGATION PLANS

	Type of Risks	Mitigation Plan
1	Liquidity and Leverage Risk	• The Company is ensuring monthly Infrastructure Provisioning fees and other revenue streams such as Energy, Rent etc. are realised fully. • Timely revision in Fixed Energy Billing contracts with operators is ensured to improve liquidity flow and mitigation of Energy losses. • Reduction in various operations costs as per Cost Optimisation plan has ensured liquid cash reserves to be optimum. • Agreement with operators for up-gradation of sites by way of CAPEX funding to be adjusted against IPF. This has resulted in increasing network uptime and increased tenancies • The Company has been successful in finalising agreements with some of its customers for passing on its property tax liability. It is also negotiating similar rights with all its customers, so the Company may be in a position to recover this additional cost completely. • The Company has increased its EBITDA from ₹ 324 Crores in FY 2014-15 to ₹ 445 Crores in FY 2016-17 which represents a CAGR of 11% • EBITDA for the Combined Entity has been showing an upward trend year on year with ₹ 780 Crores in FY 2014-15 to ₹1,122 Crores in FY 2016-17 the combined entity has achieved a growth of 13% CAGR from FY 2014-15 to FY 2016-17. The Company believes going forward this upward trend in EBITDA growth will continue

EBITDA - GIL & Combined entity

(₹ Cr.)



• Gross current assets

Current Assets	March 31, 2017		March 31, 2016	
	GIL	Combined	GIL	Combined
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
TOTAL	269	670	350	810

The reduction in current assets by 17-20% over the previous year on account of timely collection of receivables has ensured sufficient liquidity with the Company.

• Current Liabilities

Current Liabilities	March 31, 2017		March 31, 2016	
	GIL	Combined	GIL	Combined
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Pre SDR	2,298	3,200	576	1,070
Post SDR	306	553	-	-

	Type of Risks	Mitigation Plan
		Conversion of liabilities such as current maturities and interest on long term debts, into equity in the SDR scheme has led to a decline in current liabilities of the Company from ₹ 3,200 Crore in March 2017 to ₹ 553 Crore post SDR. • Cashflow from operations

Cashflow	FY 2016-17	FY 2015-16	FY 2014-15
Combined Entity	1,223	1,225	1,019

There has been a steady increase in cash flow from operations as can be seen from the table above

- The Company has invoked the SDR scheme which has resulted in substantial decrease in secured debt from ₹8,974 Crore to ₹ 4,193 Crore post SDR.

Secured Debt	March 31, 2017		March 31, 2016	
	GIL	Combined	GIL	Combined
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Pre SDR	3,624	8,974	3,601	8,918
Post SDR	1,824	4,193	-	-

	Type of Risks	Mitigation Plan
2	Operational Risks	• End of life equipment needs to be upgraded or replaced. The Company and the Combined Entity has accordingly invested in 'Project Sparta' and 'Project Vittoria' and ensured its network is upgraded as with latest technology/equipments Year wise Capex Investment

CAPEX deployed	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13
Combined Entity in ₹ Crores	365	344	300	507	341

- Consolidating or reducing un-operational sites to curb on losses has been implemented resulting in reduction of unoccupied sites from 3,710 in FY 2010-11 to 2,312 in FY 2016-17.
- SLA penalties have been reduced by resolving infra and non-Infra Issues in time and additional CAPEX infusion. This has resulted in improving network uptime to 99.90% under normal conditions.

	Type of Risks	Mitigation Plan
3	Strategic Risk	• The Company has engaged Ernst & Young to manage its SDR process at the behest of the lenders. • The Company has also engaged E&Y and TAP Advisors to manage the process of inducting new investors. • The Company is currently engaged with the bondholders and their counsel to complete the restructuring of the Series B FCCBs in a timely manner and it believes all adequate steps to minimise and mitigate risks related to SDR and FCCB have been taken. • By offering special rates, bulk deals, long term contracts, the Company is constantly engaged in improving tenancy ratio which has been seen as a major hurdle due to operator consolidation. • Furthermore, it continues to reduce revenue share of dominant player like Aircel from 63% down to 43% in the last 5 years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company is committed to ensure that its operations are carried out within a well-defined internal control framework. Good governance, robust systems and processes, a vigilant finance function and an independent internal audit function are the foundations of the internal control systems. The Company believes that a strong internal controls framework is an essential pre-requisite of growing its business.

The Company has an internal control system in place, commensurate to its size and spread in order to achieve orderly and efficient conduct of its business, including adherence to management policies, safeguarding of assets, prevention and detection of fraud and error, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. The internal control system encompasses financial and operational controls and statutory compliances.

There are suitable controls with reference to policies and procedures, risk assessment, ethics that are clearly established, communicated and monitored. Also there is a periodic review and assessment of the relevant controls to improve effectiveness, reduce cost and improve business performance.

The authority matrix, responsibility and accountability i.e., delegation of authority and segregation of duties are clearly defined such that decisions are made and actions taken at an appropriate level.

The control environment ensures commitment towards integrity and ethical values and independence of the board of directors from the management. The control activities incorporate, among others, continuous monitoring, routine reporting, checks and balances, purchase policies, authorisation and delegation procedures.

The internal audit function performs audit to monitor and evaluate the effectiveness of the Company's internal control systems and adherence to management policies and statutory requirements. It maintains a regular surveillance over the entire operations.

The audit coverage in the internal audit function of the Company is in line with the objectives of internal audit as prescribed by the Institute of Chartered Accountants of India (ICAI). The role of internal audit in the Company is as given below:

- Understanding and assessing risks and evaluating adequacies of the prevalent internal controls
- Identifying areas for system improvement and strengthening controls
- Ensuring optimum utilisation of the resources of the Company
- Ensuring proper and timely identification of liabilities, including contingent liabilities of the Company
- Ensuring compliance with internal and external guidelines and policies of the Company as well as the applicable statutory and regulatory requirements
- Safeguarding the assets of the Company by setting up a process of every change record
- Reviewing and ensuring adequacy of information systems security control
- Reviewing and ensuring adequacy, relevance, reliability and timeliness of management information system

The internal audit function is monitored by the audit committee of the Board which periodically reviews audit plans, audit observations of both internal and external audits, audit coverage, risk assessment and adequacy of internal controls.

Thus effective internal control structure has been set up in the Company to enhance organisational performance and contribute towards accomplishment of its objectives.

HUMAN RESOURCES

HR Philosophy

The Company's HR strategy is to design policies, systems and processes that continuously enhance employee capabilities for meeting the desired business objectives. An environment of empowerment and intrapreneurship helps our people to constantly drive customer delight.

We are a diverse organisation, operating Pan India. The diversity of our work force encompasses differences in ethnicity, gender, language, age, religion and socio-economic status.

People Strength

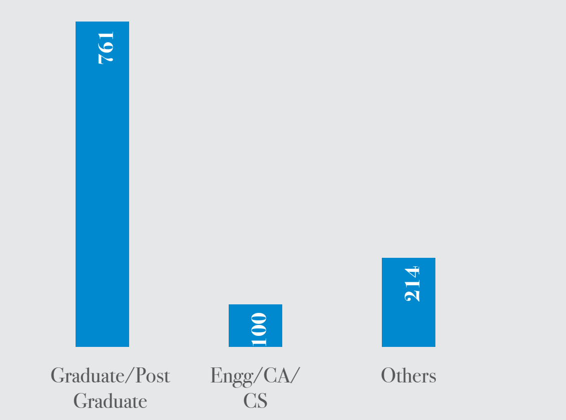
As on March 31, 2017 the Company has 1,075 associates:

On Company Payroll	449
Outsourced employees	626

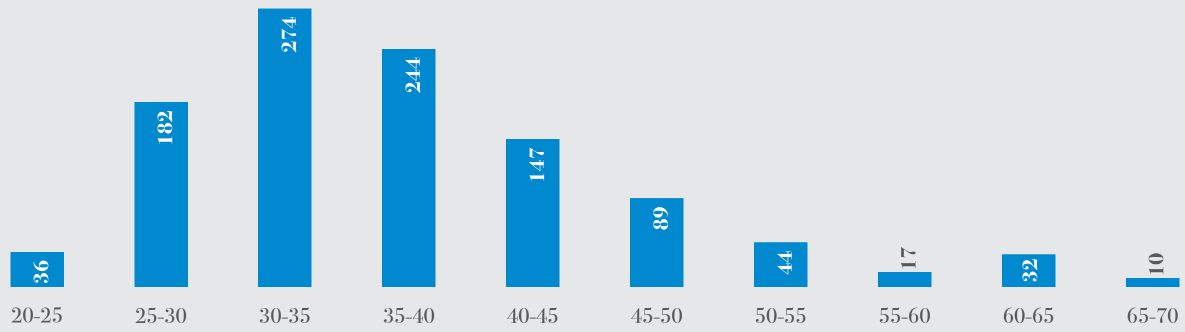
Our people maintain mobile networks even in harsh conditions so that everyone stays connected.

Engineers at GTL Infra site enroute, Shree Mata Vaishno Devi Shrine, Katra

Employee Qualification Profile



Employee Age Profile



Our HR processes are designed to enhance employee productivity and ownership in the Company, these are -

- Talent Acquisition
- Learning & Development
- Performance Management
- Talent Management
- Rewards & Recognition
- Employee Engagement
- Work-Life Balance
- Employee Feedback & Redressal

a) Talent Acquisition

The Company believes in grooming internal talent and is always on the lookout for young and talented employees. The Company also offers a second career to professionals who have gone on a sabbatical or otherwise.

b) Learning & Development

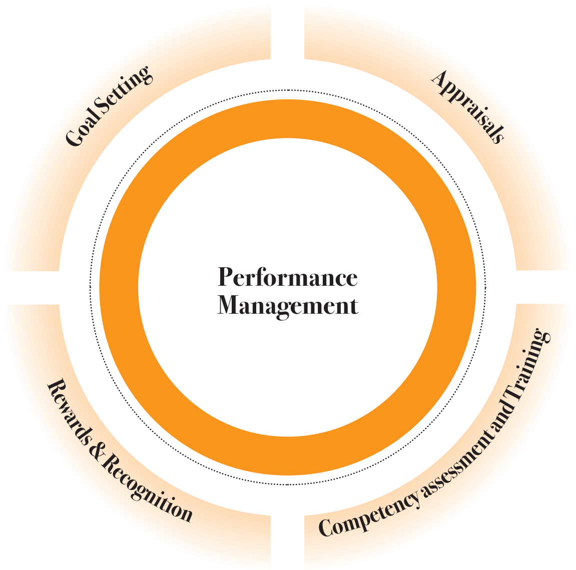
We believe that employees are our most important assets and helping them grow as professionals is crucial to the Company's success and wellbeing. Learning needs are identified based on business objectives and employee appraisal. Employees are provided with behavioural and technical training opportunities to help them grow and perform better on the basis of business objectives and individual competencies.

Our main focus in the last year was behavioural training i.e. teamwork, effective communication, etiquettes and grooming programs. The Company has successfully trained approximately 200 employees pan India. A range of technical trainings specific to one's competencies are also offered i.e. Battery Bank, DG and SMPS training in passive infrastructure management.

Industry leaders at the panel discussuion

c) Performance Management

The performance management system is structured to get the best out of every employee during the life cycle of employment.



d) Talent management

The objective of talent development at the Company is to develop and enhance the Company's self-renewing ability. The Company builds succession for all key positions and is based on the business forecast of the next three years.

The talent process focuses on selecting employees who have potential backed by consistent performance. It is through this well-defined process that they are able to achieve growth and a career with the Company.

e) Rewards and Recognitions

Rewards and recognition helps to recognise and promote positive behaviours that support individual, groups, divisions and departments in achieving the Company's mission, vision and values.

There are quarterly, spot and annual awards programs which are created to recognise and reward employees who have significantly contributed to achieve the goals of the organisation and have gone beyond their normal scope of work.

Employee recognisition for exemplary performance

f) Employee engagement

Considering employees to be our key assets, and helping them grow as professionals is critical to Company's success and their well being. Employee engagement initiatives are structured keeping the above objective in mind which helps us meet our business objective.

Employee engagement initiative Cricket match

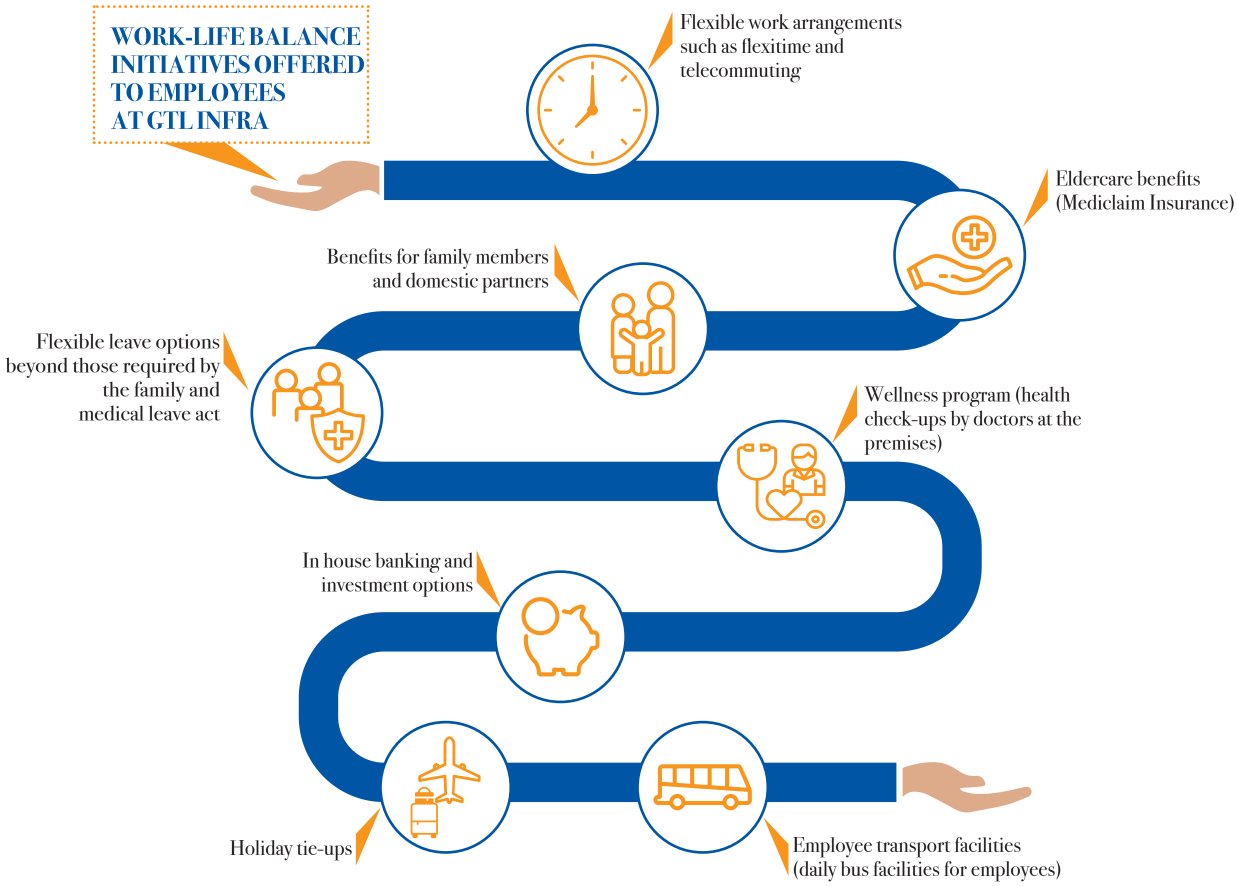
Open House at Tower site

Outbound Development Program

Open house at tower site is our key engagement process. It helps to reach out to field employees to understand their concerns, and to guide them and channelise their energies towards customer satisfaction. This initiative helped in driving network uptime to 99.9% within a record time in the chosen circles.

g) Work-life balance

Work-life balance is about creating and maintaining supportive and healthy work environment, which drives employee loyalty and productivity. Our work-life balance initiatives are as below -




Employee feedback

h) Employee Feedback and Redressal

Employee feedback is one of the key processes conducted at the Company. The feedback is collected by -

i. Employee satisfaction surveys conducted across all locations on an annual basis. The feedback is collated and addressed in a 7 day period.

ii. Branch visits by senior management on a quarterly basis and an open house on a monthly basis.

Plan for the year ahead

- The Company aims to improve internal training systems to ensure that each individual is equipped with requisite tools and skills to achieve individual goals which in turn ensures the Company's growth and success.
- To raise the performance bar by increasing the competencies of all employees.
- To become an 'Employer of Choice'.

QUALITY

Quality Management System (QMS) outlines the structure of the quality system and serves as a reference in the implementation and maintenance of the quality. Policies, goals, procedures, plans, records contained by it demonstrate that the Company is able to control the quality requirements as per international standards.

QMS international standard specifies requirements for QMS where an organisation needs to demonstrate its ability to consistently provide products and services that meets customers and applicable statutory and regulatory requirements. QMS aims to enhance customer satisfaction through the effective application of the system including processes for continual improvement of the system, services and the assurance of conformity to customer and applicable statutory and regulatory requirements.

The Company is ISO 9001:2008 certified wherein policies documented together with set objectives are reviewed every six months for sustainability and continuous improvement. 'Customer First' focuses on meeting customer's specific requirements. Based on the customer feedback and learning, the Company updates its processes and quality plans, whilst reviewing the said process for suitability and sustainability. These processes are documented and monitored by the concerned process owners, audited twice a year by an independent QMS team and modifications are made to the processes where required.

Our QMS adheres to the guidelines of ISO 9001:2008 as under -

To improve competency of each employee, the Company trains the employees for identified needs. The trainings could be related to HSW like electrical safety requirement, height safety training, medical fitness, road safety, 4-wheel defensive driving, absolute safety rules (ASR) and other specific trainings as may be required for delivering the job.

Our HSE Responsibility

The Company believes that it is an 'Operationally Excellent Service Organisation' with excellence in process, quality mindset and the highest standards in health and safety. The Company ensures that it complies with all legislations.

The Company as a TowerCo endeavours to reduce CO_2 footprint as part of telecom engagement. Health and safety is our one of the core elements.

The Company's HSE plan which is documented makes it mandatory for employees to undergo following trainings.

Type of Training	Person	Frequency
Work at Height	Vendor and if Training provided to Technician	Once in a year/as required
Electrical Safety	Technician	Once in a year/as required
2 W Defensive Driving	Technician	Once in a year/as required
First Aid	All Employees	Once in two years
Induction Training	All	During Joining
PPE Training	Technicians, Riggers, Vendor before work	Once in a Year/As and when required
Incident Reporting	O&M Manager	As and when required
9-ASR	All Employees of Company and Vendor	Once in a year

Customer Feedback and Customer Satisfaction

As a part of continuous assessment, customer assesses our sustainability periodically towards HSE based on certain criteria such as relationship with national Law, human rights, freedom of association and right to collective bargaining, forced and / or child labour, non-discrimination, employment conditions, health and safety, environment, anti-corruption, business courtesy expenses, money laundering, competition etc.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR existed in the Global Group since early 1990s, in the form of a 'Social Commitment Cell' that was structured to engage with local NGOs as well for philanthropy.

CSR was institutionalised within the Group in 2004, with 'Global Foundation' a Public Charitable Trust that acts as the CSR arm of Global Group Enterprises.

The Company discharges its social responsibilities by supporting the causes adopted by Global Foundation through employee volunteerism and non-financial means.

Our employee serving the social causes is known as 'Positron' ie. 'one who radiates positive energy'.

The social causes supported by the Company are in the areas of:

A. Education
B. Health
C. Disability
D. Community Development

A. Education

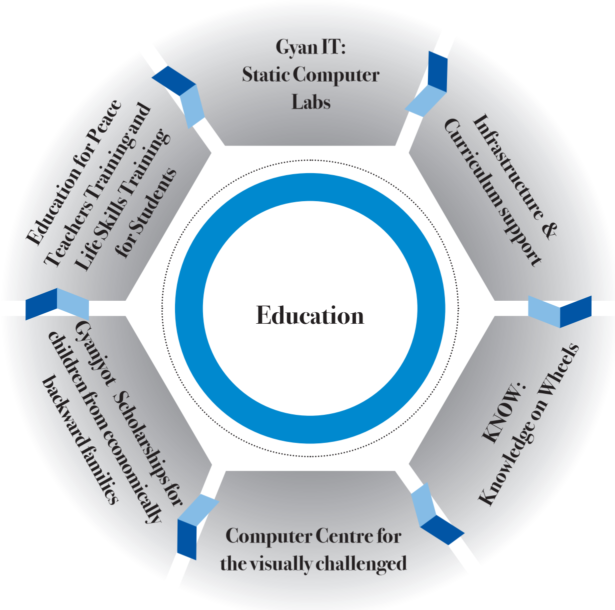
Global Foundation supports the under-served communities in the areas of academics, vocational training and life skills development through innovative programs that are path-breaking and pioneering in nature.

The programs are broadly categorised as

1. ICT in Education - Providing computer literacy and related infrastructure that bridge the digital divide.

2. Gyanjyot - Prevent school drop outs by offering need cum merit based scholarships and

3. Education for Peace.



Knowledge on Wheels (KNOW) - A Mobile Computer Lab

1. **Gyan IT: Computer Labs for Rural Schools**
Global Foundation brings access to computer education, for rural children by providing Computer Labs in rural Schools. The program launched in 2003 has brought access to computer literacy for over 36,000 students across 136 schools and 50 organisations. Providing computers and access this early helped students embrace Computer Education easily when government introduced ICT in education across the country.

Project Name	Start of Project	FY 2014-15 beneficiaries	FY 2015-16 beneficiaries	FY 2016-17 beneficiaries	From Project start to date
Gyan IT	2003	922 students	2,666 students	1,344 students	36,061 students

2. **Knowledge on Wheels (KNOW)**
Mobile Computer Lab for educating rural children in remote areas, **KNOW**, is built on a van. It imparts 40 days computer literacy program to rural children studying in remote schools, overcoming the challenges of public infrastructure that makes computer labs unviable. More than 2,600 students in remote areas have benefitted. For many of them, this was their first tryst with the digital world.

Project Name	Start of Project	FY 2014-15 beneficiaries	FY 2015-16 beneficiaries	FY 2016-17 beneficiaries	From Project start to date
Project KNOW	2004	119 students	304 students	304 students	2,663 students

3. **Netra: Computer Literacy for the Visually Challenged**
Global Foundation's 'Advanced Computer Training Centre' for the visually impaired provides computer software and hardware training to the visually impaired using screen readers. We help students enhance their skills and get jobs. Visually impaired students learn basics of Computers with MS Office and Internet and Advance Computer Course with C++, C+, SQL, HTML, .Net and Java. Positrons also support the visually impaired by helping them develop language and communication skills. 124 visually impaired have passed out of the Advance Computer Training Centre for the visually impaired in the last 3 year and a majority of them work for corporate India.

Project Name	Start of Project	FY 2014-15 beneficiaries	FY 2015-16 beneficiaries	FY 2016-17 beneficiaries	From Project start to date
NETRA	2004	40 students	39 students	23 students	about 500 students

4. **Gyanjyot - Need cum Merit based Scholarships**
Gyanjyot scholarships are designed to prevent school dropouts by providing financial aid to needy and meritorious students, encouraging them to complete their formal education.

GYANJYOT Scholarship being awarded to a girl child

Positrons and the Company's staff reach out to the deserving students, recommending them for scholarships. Positrons also scrutinise the applications, ensuring that deserving students avail benefit.

On an average over 1,400 students annually avail the Gyanjyot Scholarships.

5. **Infrastructure and Curriculum Support**
Global Foundation helps Institutions develop infrastructure and facilities to provide students and teachers environment conducive for learning.

Positrons access the needs of the Institution, thereafter support is provided in the form of refurbishing of civil infrastructure by supplying tables, chairs, learning aids and other requirements.

Global Foundation's representation at UNESCO summit

CASE STUDIES / HIGHLIGHTS

CHINAR
Global Foundation supported STEP Trust (Standing Together to Enable Peace) build CHINAR (Centre for Hope, Inquiry and Responsibility) a youth centre in Jammu & Kashmir.

The centre is safe space for youth to learn and develop themselves. It provides career counseling, creative expression space, workshops on active citizenship and also mentorship programs for the youth. The Centre has a library and meeting room.

STEM Lab
To increase students' interest in Science, Technology, Engineering and Math i.e. STEM subjects, Global Foundation have installed a STEM Lab in Babasaheb Najare High School in Alibaug as well as in Kudal. Students from Class VI to X learn in the STEM Labs.

6. Education for Peace

I. **Understand and building a culture of peace**
In a world challenged with conflicts, Education for Peace (EFP) is an initiative to build life skills for middle school students through the **Global Antarang Life Skills (GALS)** program. We have engaged 276 children of Class VI, VII and VIII from 2 schools in the GALS program and are monitoring their progress.

II. GALS is supplemented with the **Global Antarjyot Teacher Training (GATT)** Program helping teachers acquire 21st century teaching skills. Over 104 teachers have benefited from GATT program.

Education for Peace endeavours to help children develop as happy, proactive citizens and future leaders in the world.

III. **Post Graduate Diploma in Education for Peace (PGDEFP)**
The Company partnered with K. J. Somaiya Comprehensive College of Education, Training and Research, Mumbai to jointly provide a one year PGDEFP program to pre-service teachers, NGO leaders, HR managers and anyone else who may be interested.

B. Health, Hygiene and Water

Global Foundation organises free medical camps for check-up of general health, eyes, hemoglobin and diabetes under Project Arogya benefitting over 4,160 people in rural India.

In lines with the Swachh Bharat Mission, Global Foundation works in the areas of providing sanitation and hygiene facilities in schools in rural India.

The Foundation also offers financial assistance to people with low income to deal with medical exigencies.

C. Disability

Global Foundation supports the visually impaired by helping them to be part of the main stream of society. Under Project Netra, the Foundation provides computer and IT education to the visually impaired. Positrons help the visually impaired in developing communication skills.

Global Foundation has also supported the visually impaired in the areas of sports by sponsoring the T20 Blind Cricket World Cup.

In the past, Global Foundation supported the visually impaired by sponsoring the World Chess Tournament for the Blind.

D. Community Development

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

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present their Fourteenth Annual Report together with the Audited Financial Statements for the year ended March 31, 2017.

1. STATE OF COMPANY'S AFFAIRS

Financial Highlights:

(₹ in Lakhs)

Particulars	2016-17		2015-16 *	
	Standalone	Consolidated#	Standalone	Consolidated#
Total Income	96,703	96,703	93,043	93,043
Profit / (Loss) before Depreciation / Amortization, Finance Costs, Exceptional Item & Tax	39,571	39,567	22,176	22,175
Less: Depreciation / Impairment & Amortization Expenses	23,913	23,913	25,165	25,165
Profit / (Loss) before Finance Costs & Tax	15,658	15,654	(2,989)	(2,990)
Less: Finance Costs	45,870	45,870	46,895	46,895
Profit / (Loss) before Exceptional Items & Tax	(30,212)	(30,216)	(49,884)	(49,885)
Less: Exceptional Items (Net)	-	-	10,655	10,655
Profit / (Loss) before Tax	(30,212)	(30,216)	(60,539)	(60,540)
Less: Tax Expenses	-	-	-	-
Add: Share in Loss of Associate	-	(30,038)	-	(13,716)
Profit / (Loss)	(30,212)	(60,254)	(60,539)	(74,256)
Other Comprehensive Income	(44)	(44)	(40)	(41)
Total Comprehensive Income Year	(30,256)	(60,298)	**(60,579)**	**(74,297)**

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

#In Consolidated Financial Statements, share of loss of Chennai Network Infrastructure Limited,an associate is only consolidated as per equity method as mandated by Indian Accounting Standard.

Results of Operations

Key Highlights of the Company on Standalone basis for the financial year ended March 31, 2017

- Revenue from Operations – ₹ 95,211 Lakhs (up 6% Y-o-Y)
- Normalized EBITDA – ₹ 44,544 Lakhs (up 17% Y-o-Y)

Recent Developments at Macro and Micro Economic Level

The details in respect of recent developments at macro and micro economic level are covered under Management and Discussion Analysis Section.

2. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is presented in a separate section forming part of the Annual Report.

3. STRATEGIC DEBT RESTRUCTURING

The details in respect of Strategic Debt Restructuring (SDR) are provided in separate section under the heading "Strategic Debt Restructuring".

4. SCHEME OF ARRANGEMENT

Based on original sanction terms of lenders and as envisaged under Corporate Debt Restructuring (CDR), the Company always expressed a strong opinion that the merger between the Company and Chennai Network Infrastructure Limited (CNIL) would bring about synergies especially if debt is reduced to sustainable level on a combined basis. Accordingly, the lenders of the Company and CNIL in their JLF meeting held on September 20, 2016 agreed to proceed with the proposed merger of CNIL with GTL Infra and in-principally approved the proposed merger.

The Board of Directors of both the companies approved the Scheme of Arrangement between CNIL and the Company and their respective shareholders and creditors under Section 230 to 232 of the Companies Act, 2013 on April 22, 2017 based on the valuation report received from Haribhakti & Co. LLP. Upon the Scheme becoming effective, the Company will issue and allot of 1 (one) fully paid up equity share of face value of ₹ 10/- (Rupees Ten) each of the Company for every 1 (one) fully paid up equity share of face value of ₹ 10/- (Rupees Ten) each of CNIL held by shareholders of CNIL.

The implementation of the Scheme is subject to receipt of the requisite statutory and regulatory approvals, including from the applicable National Company Law Tribunals.

The highlights of the proposed merger are as under:

- The merged entity will continue to operate as GTL Infra
- The proposed merger will create a large neutral and independent telecom tower company with pan-India presence across 22 telecom circles having 27,759 towers with 50,845 tenants as on March 31, 2017.
- Financials of the combined entity as on March 31, 2017 were as under :

	(₹ in Lakhs)
Revenue from Operations	228,605
Normalized EBIDTA	112,159
Secured Debt reduced to sustainable level post SDR implementation on April 13, 2017 (Gross)*	419,291

*This excludes unsecured optionally convertible bonds issued by GTL Infra.

- The merger (once completed) will bring several operational and financial synergies that include the Company's enhanced abilities to garner incremental tenancies by meeting the network expansion requirements of the Telecom Operators, productivity gains and optimized cost structures through sharing of resources and available assets.

The Company believes that the combined entity will continue to grow and unlock value to (i) benefit all stakeholders including the lenders, the minority shareholders and bondholders; and (ii) provide an attractive value proposition for a potential investor.

5. DIVIDEND

Since your Company has posted losses and is currently under CDR, your Directors express their inability to recommend any dividend on the paid up Equity Share Capital of the Company for the financial Year ended March 31, 2017.

6. SHARE CAPITAL

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

Particulars	No. of Equity Shares
Equity Shares as on April 1, 2016	2,336,388,793
Add: Allotments of Equity Shares to FCCB Holders upon conversion of FCCBs	123,694,557
Add: Allotments of Equity Shares to Lenders under Strategic Debt Restructuring Scheme	1,692,215,807
Equity Shares as on April 27, 2017	4,152,299,157

The Company has only one class of equity shares and it has not issued equity shares with differential rights or sweat equity shares.

b. Foreign Currency Convertible Bonds (FCCBs)

Particulars	No. of Series A FCCBs (of US$ 1,000 each)	No. of Series B FCCBs (of US$ 1,000 each)	Total No. of FCCBs (of US$ 1000 each)	No. of Equity Shares issued upon conversion
FCCBs allotted	111,740	207,546	319,286	-
Converted / cancelled till date	87,572	14,013	101,585	550,796,501
Balance as on April 27, 2017	24,168	193,533	217,701	-

The Company is in process of restructuring of Series B bonds, which are maturing on November 2017. Post completion of restructuring process, which is expected to be completed before November, 2017, the unsecured debt held through optionally convertible bonds will reduce from current levels of US$ 193.5 Mn as on March 31, 2017 to US$ 100 Mn. The restructuring has received approval from the lenders (JLF) of the Company and is subject to receipt of further statutory approvals and requisite consent from the Series B bondholders. Post proposed restructuring, status of FCCBs would be as follows:

Particulars	Us $ Mn
FCCBs alloted in 2012	319
Converted/cancelled till date	102
Balance as on March 31, 2017	**218**
Less: FCCBs compulsorily convertible into equity share on November 8, 2017	24
Less: FCCBs compulsorily convertible into equity share 5 years from date of proposed Resturcturing*	94
Balance FCCBs post proposed restructuring	**100**

* This does not include compulsorily convertible FCCBs to be issued against early redemption premium and interest amount due on FCCBs post restructuring.

c. Consideration to CNIL shareholders under Scheme of Arrangement

As discussed in earlier paragraph, in consideration of the merger of CNIL with the Company, in terms of and upon the coming into effect of the merger scheme, the Company shall without any further application, issue and allot equity shares in following manner:

Particulars	No. of Equity Shares
Equity Shares of CNIL	9,404,541,517
Less: Equity Shares held by Trust, whose sole beneficiary is GTL Infra (Note)	1,815,722,400
Equity Shares to be allotted pursuant to Scheme	7,588,819,117

Note: Upon coming into effect of the Scheme, 1,815,722,400 equity shares held by GTL Infra in CNIL through Trust shall stand cancelled pursuant to the Scheme and the Companies Act.

7. FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits under chapter V of the Companies Act, 2013 from Public or from its Members.

8. 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.

9. PROMOTER GROUP

The Company is promoted by GTL Limited and is a part of Global Group of Companies. The Members may note that the Promoter Group comprises of Global Holding Corporation Private Limited and such other persons as defined under the Listing Regulations. As on April 27, 2017, the Promoter Group shareholding in GTL Infra and CNIL is 15.14% and 38.03% respectively.

10. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, in respect of financial 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

iii. 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. DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Charudatta K. Naik, Director of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors in its meeting held on April 27, 2017 re-appointed Mr. Milind K. Naik as the Whole-time Director of the Company. The Board has placed an appropriate resolution for re-appointment of Mr. Naik as the Whole-time Director for a period of 3 years effective from July 21, 2017, for consideration of members.

The background of the Directors proposed for re-appointment is given under the Corporate Governance Report, which forms part of this Report.

Mr. Milind K. Naik - Whole-time Director, Mr. Laxmikant Y. Desai – Chief Financial Officer and Mr. Nitesh A. Mhatre – Company Secretary are the Key Managerial Personnel of the Company and there is no change in the same during the financial year.

12. DECLARATION BY INDEPENDENT DIRECTORS

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

13. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met Eight (8) times during the financial year, the details of which are given in Corporate Governance Report that forms part of this Report.

14. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and Corporate Governance requirements as prescribed by the Listing Regulations.

The performance of the Board and its Committees was evaluated by the Board after seeking inputs from all the Board / Committee members on the basis of the criteria such as composition of the Board / Committee and structure, effectiveness of Board / Committee processes, providing of information and functioning etc.

The Board and the Nomination & Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as attendance in Board / Committee meetings, contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed etc.

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

15. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company has put in place appropriate policy on Directors' Appointment and remuneration and other matters as provided in Section 178(3) of the Companies Act, 2013, which is provided in the Policy Dossier that has been uploaded on the Company's website www.gtlinfra.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.

16. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The information required under Section 197(12) of the Companies Act, 2013 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. Milind K. Naik	8.19
Non-executive Directors* (sitting fees only)	**Ratio to median remuneration**
Mr. Manoj G. Tirodkar	N.A.
Mr. N. Balasubramanian	N.A.
Dr. Anand P. Patkar	N.A.
Mr. Charudatta K. Naik	N.A.
Mr. Vinod B. Agarwala	N.A.
Mr. Vijay M. Vij	N.A.
Mrs. Sonali P. Choudhary	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, company secretary or manager, if any, in the financial year:**

Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Manoj G. Tirodkar	N.A.
Mr. N. Balasubramanian	N.A.
Dr. Anand P. Patkar	N.A.
Mr. Charudatta K. Naik	N.A.
Mr. Vinod B. Agarwala	N.A.
Mr. Vijay M. Vij	N.A.
Mrs. Sonali P. Choudhary	N.A.
Mr. Milind K. Naik, Whole-time Director	Refer Note*
Mr. Laxmikant Y. Desai, Chief Financial Officer	Nil
Mr. Nitesh A. Mhatre, Company Secretary	10.19%

*The Company has made necessary application to the Central Government for payment of remuneration not exceeding ₹ 1.26 Crore p.a. to Mr. Milind K. Naik during his tenure of 3 years w.e.f. July 21, 2014, as approved by the Members at AGM held on September 16, 2014. Once the Company receives the approval from the Central Government, the Company shall compensate Mr. Milind K. Naik for his arrears accordingly.

iii. **The percentage increase in the median remuneration of employees in the financial year:** 12.75%

iv. **The number of permanent employees on the rolls of the Company :** 442

v. **Average percentage increase already made in the salaries of employees other than the managerial personnel in last financial year and its comparison with the percentage 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 around 11.69%.

As approved by the Members in the AGM held on September 16, 2014, the Company has made necessary application to the Central Government for payment of remuneration not exceeding ₹ 1.26 Crore p.a. to its Whole-time Director, Mr. Milind K. Naik during his tenure of 3 years w.e.f. July 21, 2014. The said remuneration is commensurate with the responsibilities shouldered and industry standards as explained in the explanatory statement to Notice of AGM held on September 16, 2014. Hence, comparison can not be provided.

vi. **Affirmation that the remuneration is as per the remuneration policy of the Company:**
The Company affirms that the remuneration is as per the remuneration policy of the Company.

17. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis Report, which forms part of the Annual Report.

18. AUDIT COMMITTEE

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

19. AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules framed there under, M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai, were appointed as Joint Auditors at the Eleventh (11th) AGM of the Company held on September 16, 2014 to hold office from conclusion of the said meeting till the conclusion of the Fifteenth (15th) AGM to be held in year 2018, subject to ratification of their appointment at every AGM. The Company has received the necessary certificates from the Joint Auditors pursuant to Sections 139 and 141 of the Companies Act, 2013 regarding their eligibility for appointment.

The resolution seeking approval of the Members for ratification of the appointment of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai, as Joint Auditors of the Company have been incorporated in the Notice of the forthcoming AGM of the Company.

The Joint Auditors have issued modified opinion w.r.t. the Company's inability to quantify the amount of property tax on its telecom towers to be ultimately borne by it due to various petitions pending before appropriate authorities, non-receipt of property tax demands, as well as Company's contractual rights to recover such property tax from its customers. In this regard, the Company has given proper explanation in its Note No. 40 of Notes to the Standalone Financial Statements. Further, as regards the Joint Auditors' emphasis of matters, the Company has furnished required details / explanations in Note nos. 4.1, 29.1, 41 and 44 of Notes to the Standalone Financial Statements.

20. SECRETARIAL AUDITORS' REPORT

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

21. RISKS

A separate section on risks and their management is provided in the Management Discussion & Analysis Report forming part of this Report, which covers the development and implementation of risk management framework. The Audit Committee monitors the risk management plan and ensures its effectiveness. It is important for members and investors to be aware of the risks that are inherent in the Company's businesses. The major risks faced by the Company have been outlined in this section to allow members and prospective investors to take an independent view. We strongly urge Stakeholders / Investors to read and analyze these risks before investing in the Company.

22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the Note nos. 12, 42, 4 & 8 of Notes to the Standalone Financial Statements.

23. PARTICULARS OF RELATED PARTY TRANSACTIONS

All related party transactions entered into during the financial year were on an arms' length basis and were in ordinary course of business. None of the transactions with related parties falls under the scope of Section 188(1) of the Companies Act, 2013.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.gtlinfra.com. The particulars as required under the Companies Act, 2013 are furnished in **Annexure B** (Form No. AOC – 2) to this Report.

24. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have Subsidiary or Joint Venture Company. The Company has investment in Associate Company, CNIL through Tower Trust, in which the Company has beneficial interest.

Pursuant to Accounting Standard 21 (AS 21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include information about its associate. Pursuant to provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of the Financial Statements of the Company's Associate, CNIL are furnished in **Annexure C** (Form No. AOC–1) to this Report.

For the sake of clarity, transparency and better comparison of performance in this annual report, standalone basis represents amounts pertaining to GTL Infra and combined entity basis includes that of CNIL, an associate, too.

25. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and other details are furnished in **Annexure D** 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 Management Discussion & Analysis Report under the caption Corporate Social Responsibility. The CSR Policy is available on the Company's website www.gtlinfra.com. It is clarified that Global Foundation is a GTL Group initiatives.

26. EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2017

An extract of Annual Return as on March 31, 2017 is annexed as **Annexure E** (Form No. MGT – 9) to this Report.

27. CORPORATE GOVERNANCE AND VIGIL MECHANISM

The Company has complied with the Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of the Regulation 46 of the Listing Regulations. A separate Report on Corporate Governance along with the Certificate of the Joint Auditors, M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai confirming compliance of conditions of Corporate Governance as required under Regulation 34(3) of Listing Regulations forms part of this Report.

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

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

a. **Conservation of Energy:**

The Company has continued its enhanced focus on reduction of diesel consumption at telecom tower sites through several initiatives of energy efficiency and fuel savings. Further, trials of various green energy solutions are carried out through pilot deployment of Solar Photovoltaic panels, Deep discharge, Quick recharge and Lithium Ion batteries which have technological superiority and/or lesser carbon footprint. Through deployment of additional battery banks at sites and site electrification works for non-grid diesel generator operated sites, the Company has about 1,650 tower sites which are identified as Green

Sites (each of which consumes diesel less than 35 litre per month).

The various initiatives for conservation of energy in respect of telecom towers taken by the Company are enumerated below:

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

a. Installation of Free Cooling / Emergency Free Cooling systems to utilize cool ambient temperatures for saving electrical energy consumption of air-conditioning systems

b. Installation of High Efficiency Rectifiers with wide input voltage range SMPS with minimum deration at lower input voltages

c. Upgradation of DC power plants with compatible high efficiency rectifiers

d. Deployment of additional battery banks for increasing backup power and thereby minimizing diesel consumption at sites

e. Fuel optimizer feature of DG controller for optimum utilization of battery backup and air-conditioning system

f. Implemented Stage-wise capacity enhancement with upgradeability as and when site load increased

g. Aircon efficiency improvement solutions for better heat transfer of refrigerant

h. Deployment of Integrated Power Management Units for AC power line conditioning and AC to DC conversion

i. Remote monitoring of site health parameters through NOC (Network Operations Centre)

j. Facilitating telecom operator tenants to swap their Indoor BTS with Outdoor BTS

ii) the steps taken by the Company for utilizing alternate source of energy:

Deployment of Deep discharge and Lithium Ion batteries for faster charging / better utilization of backup power and thereby reducing diesel consumption

iii) the capital investment on energy conservation equipment:

Not Applicable

b. Technology Absorption:

1.	Efforts made towards technology absorption :	The Company has not absorbed, adopted and innovated any new technology. Hence, the details relating to technology absorption are not furnished.
2.	The benefits derived like product improvement, cost reduction, product development or import substitution:	
3.	In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year) following information may be furnished.: a. the details of technology imported: b. the year of import: c. whether the technology been fully absorbed? d. if not fully absorbed, the areas where absorption has not taken place, reasons thereof :	
4.	the expenditure incurred on Research and Development	No significant expenditures were incurred during the year.

c. Foreign Exchange Earnings and Outgo:

During the year under review, the Company earned in terms of actual inflow of foreign exchange of ₹ Nil and the foreign exchange outgo in terms of actual outflows is ₹ 6,314 Lakhs.

29. PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is provided in a separate annexure forming part of this Report. Further, the Report and the Financial Statements are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Companies Act, 2013 the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said annexure are related to any Director of the Company.

30. GENERAL

Notes forming parts of the Financial Statements are self – explanatory.

31. SPECIAL BUSINESS

As regards the items of the Notice of the Annual General Meeting relating to Special Business, the Resolution incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approval of members to those proposals. Members' attention is drawn to this item 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 customers, 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
April 27, 2017

Manoj G. Tirodkar
Chairman

ANNEXURE A TO DIRECTORS' REPORT

Form MR – 3

Secretarial Audit Report
for the Financial Year Ended 31st March, 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 Infrastructure Limited
(CIN: L74210MH2004PLC144367)
3rd Floor, "Global Vision", Electronic Sadan No.II, MIDC,
TTC Industrial Area, Mahape, Navi Mumbai- 400710.

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

Based on my verification of the Company's 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 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the 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, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) As confirmed & Certified by the Management, there are no Sectoral laws specifically applicable to the Company based on the Sectors/ Businesses.

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

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) & National Stock Exchange of India Limited (NSE);

(iii) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

During the period under review, the Company has complied with the relevant provisions of the regulations / agreements / Standards, as may be applicable, mentioned above.

I further report that,

The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Woman Director. There is no change in the Composition of the Board of Directors during the period under review. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

I further report that during the audit period, the Company has passed Special resolution in the Extra-Ordinary General meeting held on March 16, 2017 authorizing Board of Directors to convert all or part of the outstanding loans / financial assistance into fully paid-up equity shares of the Company pursuant to the Reserve Bank of India's ("RBI") circular on the "Strategic Debt Restructuring Scheme" issued vide circular number RBI/2014-15/627 dated June 8, 2015 and amendments thereto or any other Scheme(s) issued by RBI from time to time and other applicable provisions.

I further report that during the audit period, the Company has passed Special resolution in the Extra-Ordinary General meeting held on March 16, 2017 for restructuring the outstanding Foreign Currency Convertible Bonds.

I further report that during the audit period, the Company has passed Special resolution in the Extra-Ordinary General meeting held on March 16, 2017 to create, issue, offer and allot Foreign Currency Convertible Bonds.

I further report that during the audit period, the Company has passed Ordinary resolution in the Extra-Ordinary General meeting held on March 16, 2017 to increase Authorised Share Capital and alter Capital Clause of the Memorandum of Association of the Company.

I further report that during the audit period, the Company has passed Special resolution in the Extra-Ordinary General meeting held on March 16, 2017 to alter Capital Clause of the Article of Association of the Company.

Date: 27/04/2017
Place: Thane

Chetan Anant Joshi
(FCS: 7052, CP: 7744)

This Report is to be read with my letter of even date which is annexed as 'Annexure I' and forms an integral part of this report.

'Annexure I'

To,
The Members,
GTL Infrastructure Limited (CIN: L74210MH2004PLC144367)
3rd Floor, "Global Vision", Electronic Sadan No.II, MIDC,
TTC Industrial Area, Mahape, Navi Mumbai- 400710

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process 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 Secretarial records. I believe that the process and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Date: 27/04/2017
Place: Thane

Chetan Anant Joshi
(FCS: 7052 CP: 7744)

ANNEXURE B TO 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 / transaction value	Date(s) of approval by the Board, if any.	Amount paid as advance, if any (₹ Lakhs)
GTL Limited	Party having significant influence over the Company	Energy Management Agreement	Ten Years	Provision for power (electricity) & fuel under Fixed Energy Management Service Contract	₹ 31,879 Lakhs	May 6, 2015	Nil
Chennai Network Infrastructure Limited	Associate	Cost Sharing Agreement	Ongoing	Reimbursement of operations cost & other expenditures	₹ 8,489 Lakhs	Not Applicable	Nil

For and on behalf of the Board of Directors

Mumbai
April 27, 2017

Manoj G. Tirodkar
Chairman

ANNEXURE C TO 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

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

No.	Name of the Subsidiary	Date since when Subsidiary was acquired	Reporting Period	Reporting Currency	Exchange Rate	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
NOT APPLICABLE																

Notes: The following information shall be furnished at the end of the statement:

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:** Not Applicable

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 Associate held by the Company on the year end			Net worth Attributable to shareholding as per latest audited Balance Sheet (₹ in Lakhs)	Profit / (Loss) for the year including share in other comprehensive income of associate		Description of How there is significant influence	Reason why the Associates is not Consolidated
				No.	Amount of Investment in Associates (₹ in Lakhs)	Extent of Holding %		Considered in Consolidation (₹ in Lakhs)	Not Considered in Consolidation (₹ in Lakhs)		
1.	Chennai Network Infrastructure Limited (holding through Tower Trust)	March 31, 2017	March 12, 2010	1,815,722,400	181,572	27.53	60,091*	(30,038)	-	Note - A	NA

*The free Reserves for Net worth have been arrived after giving effect for elimination of unrealized gain/loss on account of fair valuation of assets/liabilities.

Note – A: There is significant influence due to percentage (%) of share capital

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 of Directors

Milind K. Naik
Whole-time Director

Vijay M. Vij
Director

Manoj G. Tirodkar
Chairman

Laxmikant Y. Desai
Chief Financial Officer

Nitesh A. Mhatre
Company Secretary

Mumbai
April 27, 2017

ANNEXURE D TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

[Pursuant to the 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:**
   The Company 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. The Company's CSR Policy has been uploaded on the Company's Website at following link
   http://www.gtlinfra.com/investors/corporate-governance/

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. Vijay M. Vij, Mr. Milind K. Naik and Mrs. Sonali P. Choudhary.

3. **Average net profit / (loss) of the Company for last three financial years:** (₹ 55,725 Lakhs)

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

   Not applicable 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:** Not Applicable

   b. **Amount unspent, if any:** Not Applicable

   c. **Manner in which the amount spent during the financial year:** Not Applicable

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:**
   Not Applicable

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.

Mumbai	**Milind K. Naik**	**Manoj G. Tirodkar**
April 27, 2017	Whole-time Director	Chairman – Corporate Social Responsibility Committee

ANNEXURE E TO DIRECTORS' REPORT

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
as on 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 and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	**CIN**	L74210MH2004PLC144367
ii)	**Registration Date**	February 4, 2004
iii)	**Name of the Company**	GTL Infrastructure Limited
iv)	**Category / Sub-Category of the Company**	Company Limited by shares / Indian Non-Government Company
v)	**Address of the Registered office and contact details**	"Global Vision",3rd Floor, Electronic Sadan No. II MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400 710 Telephone No: +91-22-27673500 Fax: +91-22-27673666 Email: gilshares@gtlinfra.com Website: www.gtlinfra.com
vi)	**Whether listed company**	Yes
vii)	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	GTL Limited (Investor Service Centre) "Global Vision", Electronic Sadan No. II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400 710 Telephone No: +91-22-27612929 ext. 2232-35 Fax: +91-22-27680171 Email: gilshares@gtlinfra.com Website: www.gtllimited.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company are:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Providing Telecom Towers on shared basis to multiple telecom operators	619	100.00

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
1	Chennai Network Infrastructure Limited Door No. 34/1 DL, New No. 403/L, Samson Towers, 7th Floor, Pantheon Road, Egmore, Chennai - 600 008, Tamil Nadu, India	U64203TN2009PLC073803	Associate	27.53*	2(6)

* Post allotment of equity shares to lenders pursuant to Strategic Debt Restructuring on April 13, 2017, the shareholding of the Company in CNIL stands reduced to 19.31% from 27.53%.

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

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		April 1, 2016				March 31, 2017				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Promoter**									
(1)	**Indian**									
(a)	Individual / HUF									
(b)	Central Govt									
(c)	State Govt(s)									
(d)	Bodies Corp.	628,826,075	-	628,826,075	26.91	628,826,075	-	628,826,075	25.56	-1.35
(e)	Banks / FI									
(f)	Any Other (Specify)									
	Sub-Total (A)(1)	**628,826,075**	**-**	**628,826,075**	**26.91**	**628,826,075**	**-**	**628,826,075**	**25.56**	**-1.35**
(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)**	**628,826,075**	**-**	**628,826,075**	**26.91**	**628,826,075**	**-**	**628,826,075**	**25.56**	**-1.35**
B	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	24,942	64	25,006	0.00	150	64	214	0.00	0.00
(b)	Banks / FI	857,313,456	500	857,313,956	36.69	879,895,243	500	879,895,743	35.77	-0.93
(c)	Central Govt									
(d)	State Govt(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies	30,094,886	-	30,094,886	1.29	30,094,886	-	30,094,886	1.22	-0.06
(g)	FIIs	16,571,504	-	16,571,504	0.71	75,000	-	75,000	0.00	-0.71
(h)	Foreign Venture Capital Funds									
(i)	Any Other (Specify)									
i)	Bank-Foreign	5,285,295	-	5,285,295	0.23	27,126,000	-	27,126,000	1.10	0.88
	Sub-Total (B)(1)	**909,290,083**	**564**	**909,290,647**	**38.92**	**937,191,279**	**564**	**937,191,843**	**38.10**	**-0.82**
(2)	**Non-Institutions**									
(a)	Bodies Corp.									
i)	Indian	60,258,228	9,867	60,268,095	2.58	83,262,615	9,867	83,272,482	3.38	0.81
ii)	Overseas									
(b)	Individuals									
i)	Individual shareholders holding nominal share capital upto to ₹ 1 lakh	137,883,849	409,809	138,293,658	5.92	136,319,319	395,532	136,714,851	5.56	-0.36
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	224,836,353	20,000	224,856,353	9.62	296,320,901	20,000	296,340,901	12.05	2.42
(c)	Any Other (Specify)									
i)	Corp.Body OCBs	197,416	100	197,516	0.01	197,416	100	197,516	0.01	0.00
ii)	Other Foreign Bodies	100,119,988	100	100,120,088	4.29	75,828,594	100	75,828,694	3.08	-1.20
iii)	NRIs	8,664,772	210	8,664,982	0.37	12,081,901	210	12,082,111	0.49	0.12
iv)	Trusts	-	-	-	-	5,000	-	5,000	0.00	0.00
v)	Foreign National									

	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
		April 1, 2016				March 31, 2017				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
vi)	RFPI-Corporate	265,871,379	-	265,871,379	11.38	289,623,877	-	289,623,877	11.77	0.39
	Sub-Total (B)(2)	**797,831,985**	**440,086**	**798,272,071**	**34.17**	**893,639,623**	**425,809**	**894,065,432**	**36.34**	**2.18**
B	**Total Public Shareholding (B) = (B)(1) + (B)(2)**	**1,707,122,068**	**440,650**	**1,707,562,718**	**73.09**	**1,830,830,902**	**426,373**	**1,831,257,275**	**74.44**	**1.35**
	TOTAL (A) + (B)	**2,335,948,143**	**440,650**	**2,336,388,793**	**100.00**	**2,459,656,977**	**426,373**	**2,460,083,350**	**100.00**	**-**
C	**Shares held by Custodians for GDRs & ADRs**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
	GRAND TOTAL (A) + (B) + (C)	**2,335,948,143**	**440,650**	**2,336,388,793**	**100.00**	**2,459,656,977**	**426,373**	**2,460,083,350**	**100.00**	**-**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year *
		1-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	GTL Limited (GTL)	345,763,466	14.80	100.00	345,763,466	14.05**	100.00	-0.74
2	Global Holding Corporation Private Limited (GHC)	283,062,609	12.12	0.00	283,062,609	11.51**	0.00	-0.61
	TOTAL (A) + (B)	**628,826,075**	**26.91**	**54.99**	**628,826,075**	**25.56**	**54.99**	**-1.35**

* The % change is on account of increase in paid-up share capital and not on account of sale of shares by the promoters.

** Post allotment of equity shares to lenders pursuant to Strategic Debt Restructuring on April 13, 2017, the shareholding of GTL and GHC stands reduced to 8.33% and 6.82% respectively.

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year	628,826,075	26.91	628,826,075	26.91
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
3.	At the End of the year	NA	NA	628,826,075	25.56*

*Post allotment of equity shares to lenders pursuant to Strategic Debt Restructuring on April 13, 2017, the shareholding of Promoters stands reduced to 15.14%.

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

Sr. No.	For each of Top 10 shareholders*	Shareholding at the beginning of the year - April 1, 2016		Cumulative Shareholding at end of the year - March 31, 2017	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	ELM Park Fund Limited	179,971,057	7.70	179,971,057	7.32
2	Indian Overseas Bank	161,976,510	6.93	161,976,510	6.58
3	Union Bank of India	121,034,706	5.18	120,754,706	4.91
4	Bank of India	78,160,268	3.35	107,834,016	4.38
5	Bank of Baroda	89,807,214	3.84	89,807,214	3.65
6	Hypnos Fund Limited	85,900,322	3.68	88,255,740	3.59
7	Central Bank of India	61,250,806	2.62	61,250,806	2.49
8	Andhra Bank	56,935,410	2.44	56,935,410	2.31
9	State Bank of India	56,021,579	2.40	56,021,579	2.28
10	Goldman Sachs Investments (Mauritius) I Ltd –FCCB	50,707,598	2.17	0	0.00
11	QVT Mauritius West Fund	0	0.00	47,888,238	1.95

*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Directors							
1	Mr. Manoj G. Tirodkar	1-Apr-2016	At the beginning of the year	5,897,783	0.25	5,897,783	0.25
		31-Mar-2017	At the end of the year			5,897,783	0.24
2	Mr. N. Balasubramanian	1-Apr-2016	At the beginning of the year	500,000	0.02	500,000	0.02
		31-Mar-2017	At the end of the year			500,000	0.02
3	Mr. Vinod B. Agarwala	1-Apr-2016	At the beginning of the year	459,000	0.02	459,000	0.02
		31-Mar-2017	At the end of the year			459,000	0.02
4	Mr. Anand P. Patkar	1-Apr-2016	At the beginning of the year	100,000	0.00	100,000	0.00
		31-Mar-2017	At the end of the year			100,000	0.00
5	Mr. Charudatta K. Naik	1-Apr-2016	At the beginning of the year	1,325,900	0.06	1,325,900	0.06
		31-Mar-2017	At the end of the year			1,325,900	0.05
6	Mr. Milind K. Naik	1-Apr-2016	At the beginning of the year	19,000	0.00	19,000	0.00
		31-Mar-2017	At the end of the year			19,000	0.00
7	Mr. Vijay M. Vij	1-Apr-2016	At the beginning of the year	63,500	0.00	63,500	0.00
		31-Mar-2017	At the end of the year			63,500	0.00
8	Mrs. Sonali P. Choudhary	1-Apr-2016	At the beginning of the year	67,500	0.00	67,500	0.00
		31-Mar-2017	At the end of the year			67,500	0.00

Sr. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Key Managerial Personnel							
1	Laxmikant Y. Desai	1-Apr-2016	At the beginning of the year	26,976	0.00	26,976	0.00
		31-Mar-2017	At the end of the year			26,976	0.00
2	Nitesh A. Mhatre	1-Apr-2016	At the beginning of the year	0	0.00	0	0.00
		31-Mar-2017	At the end of the year			0	0.00

V. INDEBTEDNESS

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

₹ in Lakhs

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	347,446	146,089	-	493,535
Interest due but not paid*	9,805	-	-	9,805
Interest accrued but not due	2,820	-	-	2,820
Total (i+ii+iii)	**360,071**	**146,089**	**-**	**506,160**
Change in Indebtedness during the financial year				
Addition	5,862**	10,449**	-	16,311
Reduction	3,574#	12,369##	-	15,943
Net Change	**2,288**	**(1,920)**	**-**	**368**
Indebtedness at the end of the financial year				
Principal Amount	345,299	144,169	-	489,468
Interest due but not paid	14,542	-	-	14,542
Interest accrued but not due	2,519	-	-	2,519
Total (i+ii+iii)	**362,359**	**144,169**	**-**	**506,528**

*Since settled in terms of SDR as on April 13, 2017

**Represents Impact of accounting as per Ind AS, foreign exchange difference (Net) and difference between interest due but not paid

Represents repayments & difference between interest accrued but not due

Represents conversion in Equity & Foreign Exchange Difference (Net)

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 Milind K. Naik, WTD (Amount in ₹)	Total Amount (₹)
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,729,488	4,729,488
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of profit	Nil	Nil
	- others, specify.	Nil	Nil
5.	Others (PF Contribution)	241,128	241,128
1	**Total (A)**	**4,970,616**	**4,970,616**
	Ceiling as per the Act	#	#

The payment of managerial remuneration to Mr. Naik is subject to the Central Government approval, which is still awaited.

B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
1.	**Independent Directors**	**N. Balasubramanian**	**Anand P. Patkar**	**Vinod B. Agarwala**	**Vijay M. Vij**	
	- Fees for attending board and committee meetings	2,400,000	1,650,000	2,325,000	1,750,000	8,125,000
	- Commission	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	**2,400,000**	**1,650,000**	**2,325,000**	**1,750,000**	**8,125,000**
2	**Other Non-Executive Directors**	**Charudatta K. Naik**	**Manoj G. Tirodkar**	**Sonali P. Choudhary**		
	- Fees for attending board and committee meetings	1,700,000	1,325,000	1,625,000		4,650,000
	- Commission	Nil	Nil	Nil		Nil
	- Others, please specify	Nil	Nil	Nil		Nil
	Total (2)	**1,700,000**	**1,325,000**	**1,625,000**		**4,650,000**
	Total (B)=(1+2)					**12,775,000**
	Total Managerial Remuneration*					4,970,616
	Overall Ceiling as per the Act					#

* 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

Since the Company has incurred losses; the overall ceiling is as per limits stipulated in Schedule V / Section 197 of the Act and / or subject to Central Government approval, wherever applicable.

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel (Amount in ₹)			
		CEO	**CFO**	**Company Secretary**	**Total**
1.	Gross salary	Not Applicable	20,318,138	11,011,382	31,329,520
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		Nil	Nil	Nil
2.	Stock Option		Nil	Nil	Nil
3.	Sweat Equity		Nil	Nil	Nil
4.	Commission				
	- as % of profit		Nil	Nil	Nil
	- others, specify.		Nil	Nil	Nil
5.	Others (PF Contribution)		357,120	184,072	541,192
	Total		**20,675,258**	**11,195,454**	**31,870,712**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences under the Companies Act, 2013 during the year ended March 31, 2017.

REPORT ON CORPORATE GOVERNANCE

In accordance with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") the report on compliance of Corporate Governance at GTL Infrastructure Limited is given as under:

1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance as adopted by its Board of Directors is to:

- Ensure that the quantity, quality and frequency of financial and managerial information, which the management shares with the Board, fully place the Board Members in control of the Company's affairs.
- Ensure that the Board exercises its fiduciary responsibilities towards shareowners and creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensure that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/ Committees thereof.
- Ensure that the Board, the Management, the Employees and all concerned are fully committed to maximizing long-term value to the shareowners and the Company.
- Ensure that the core values of the Company are protected.
- Ensure that the Company positions itself from time to time to be at par with any other world-class companies in operating practices.

2) BOARD OF DIRECTORS

i) Size and composition of the Board

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2017, the Company has 8 Directors with a Non-Executive Chairman and a Non-Executive Vice Chairman. Of the 8 Directors, 7 (i.e.87.50%) are Non-Executive Directors and 4 (i.e.50.00%) are Independent Directors. The composition of the Board is in conformity with Regulation 17(1) of the Listing Regulations and Section 149 of the Companies Act, 2013 (the 'Act').

ii) All the Directors have informed the Company periodically about their directorship and membership on the Board Committees of other public limited companies. As per disclosure received from Director(s), none of the Directors on the Board hold membership in more than ten (10) committees or chairmanship in more than five (5) committees across all the public limited companies in which he/she is a Director.

The composition of the Board, category of directorship, the number of meetings held and attended during the year, the directorships /chairmanship/ committee positions in other public limited companies as on March 31, 2017 are as follows:

Name of Director	Category*	Attendance in Board Meetings		Attendance at the last AGM	Number of Directorships in other Indian public limited companies **	Other Companies			
		Held	Attended			Board Directorship **	Board Chairmanship **	Committee Chairmanship/ Membership ***	
								Chairman	Members
Mr. Manoj G. Tirodkar @ (Chairman) DIN 00298407	NID/ NED	8	8	Yes	2	2	2	0	1
Mr N. Balasubramanian (Vice-Chairman) DIN 00288918	ID	8	8	Yes	0	0	0	0	0
Mr. Milind K. Naik (Whole-time Director) DIN 00276884	NID/ED	8	8	Yes	1	1	0	0	1

Name of Director	Category*	Attendance in Board Meetings		Attendance at the last AGM	Number of Directorships in other Indian public limited companies **	Other Companies			
		Held	Attended			Board Directorship **	Board Chairmanship **	Committee Chairmanship/ Membership ***	
								Chairman	Members
Dr. Anand P. Patkar DIN 00634761	ID	8	7	Yes	0	0	0	0	0
Mr. Charudatta K. Naik DIN 00225472	NID/NED	8	7	Yes	0	0	0	0	0
Mr. Vinod B. Agarwala DIN 01725158	ID	8	8	Yes	2	2	0	2	1
Mr. Vijay M. Vij DIN 02245470	ID	8	8	Yes	2	2	0	1	2
Mrs. Sonali P. Choudhary # DIN 07139326	NID/NED	8	8	Yes	0	0	0	0	0

* ED – Executive Director, NID – Non- Independent Director, NED- Non- Executive Director, ID- Independent Director

** In Indian Public Limited Companies

*** In Audit committee and Stakeholders' Relationship Committee in Indian public limited companies (listed and unlisted).

@ Mr. Manoj G. Tirodkar is interested director in Promoter Group Company. All other Directors are Non-Promoter Directors. There are no *inter-se* relationships between our Board members.

\# Mrs. Sonali P. Choudhary is the Women Director on the Board.

iii) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

The details of familiarization programmes imparted to independent directors, are available on website of the Company at http://www.gtlinfra.com/investors/corporate-governance/

During the year under review, a separate meeting of the Independent Directors was held on March 6, 2017 for transacting the stipulated business and all the Independent Directors were present for this meeting.

iv) **Number of Board Meetings held and the dates on which held:** The Board of Directors met eight (8) times during the year under review. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The details of the Board Meetings are as under:

Date of Board Meeting	Board Strength	No. of Directors Present
April 26, 2016	08	08
June 29, 2016	08	07
September 13, 2016	08	07
September 19, 2016	08	08
October 20, 2016	08	08
November 22, 2016	08	08
January 24, 2017	08	08
February 8, 2017	08	08

v) Details of equity shares of the Company held by the Directors as on March 31, 2017 are as under:

Name of Director	Number of Shares
Mr. Manoj G. Tirodkar	5,897,783
Mr. N. Balasubramanian	500,000
Mr. Milind K. Naik	19,000
Dr. Anand P. Patkar	100,000
Mr. Charudatta K. Naik	1,325,900
Mr. Vinod B. Agarwala	459,000
Mr. Vijay M. Vij	63,500
Mrs. Sonali P. Choudhary	67,500

3) BOARD COMMITTEES

A. Audit Committee:

i) Composition:

The Audit Committee of the Board comprises of three Independent Directors namely Mr. N. Balasubramanian, Mr. Vinod B. Agarwala and Mr. Vijay M. Vij and one Non-Independent / Non-Executive Director Mr. Charudatta K. Naik. All the Members of the Audit Committee possess financial/accounting expertise/exposure. The composition of the Audit Committee meets the requirements of Section 177 of the Act, Regulation 18 of the Listing Regulations. Mr. N. Balasubramanian is the Chairman of the Committee.

The Company Secretary acts as the secretary to the Audit Committee.

ii) Terms of Reference: The terms of reference of the Audit Committee are as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - o 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 Act.
    - o Changes, if any, in accounting policies and practices and reasons for the same.
    - o Major accounting entries involving estimates based on the exercise of judgment by management.
    - o Significant adjustments made in the financial statements arising out of audit findings.
    - o Compliance with listing and other legal requirements relating to financial statements.
    - o Disclosure of any related party transactions.
    - o Modified Opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;.
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

- To review the following information:
  - o the management discussion and analysis of financial condition and results of operations;
  - o Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - o Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - o Internal audit reports relating to internal control weaknesses; and
  - o The appointment, removal and terms of remuneration of Chief Internal Auditor.
  - o 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).

iii) The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings.

iv) The previous Annual General Meeting of the Company was held on September 21, 2016 and was attended by Mr. N. Balasubramanian, Chairman of the Audit Committee.

v) **Number of Audit Committee Meetings held and the dates on which held:** The Audit Committee met five (5) times during the year under review on April 26, 2016, September 12, 2016, November 21, 2016, January 24, 2017 and March 29, 2017. The necessary quorum was present for all the meetings. The details of attendance of each Member at the Audit Committee meetings held during the year are as under:

Name	Category	Number of meetings during the year 2016-2017	
		Held	Attended
Mr. N. Balasubramanian (Chairman)	Independent, Non-Executive	5	5
Mr. Vinod B. Agarwala	Independent, Non-Executive	5	5
Mr. Vijay M. Vij	Independent, Non-Executive	5	5
Mr. Charudatta K. Naik	Non-Independent, Non-Executive	5	4

B. Nomination & Remuneration Committee:

i) **Composition:** The Nomination & Remuneration Committee of the Board comprises of two Independent Directors namely Mr. Vijay M. Vij and Mr. N. Balasubramanian, and one Non-Independent / Non-Executive Director, Mr. Charudatta K. Naik. Mr. Vijay M. Vij is the Chairman of the Committee.

The Company Secretary acts as the secretary to the Nomination & Remuneration Committee.

ii) **Terms of Reference:** The terms of reference of the Nomination & Remuneration Committee are as under:

- 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;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of Board of Directors;
- 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;

- 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;

- Administer and supervise Employees Stock Option Schemes including allotment of shares arising out of conversion of Employees Stock Option Scheme(s) or under any other employee compensation scheme;

- Formulate 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.

- Perform such other functions consistent with applicable regulatory requirements.

iii) Number of Nomination & Remuneration Committee Meetings held and the dates on which held: The Nomination & Remuneration Committee met Three (3) times during the year under review on April 21, 2016, September 12, 2016,and January 24, 2017 .The necessary quorum was present for all the meetings. The details of attendance of each Member at the Nomination & Remuneration Committee meetings held during the year are as under:

Name	Category	Number of meetings during the year 2016-2017	
		Held	Attended
Mr. Vijay M. Vij (Chairman)	Independent, Non-Executive	3	3
Mr. N. Balasubramanian	Independent, Non-Executive	3	3
Mr. Charudatta K. Naik	Non-Independent, Non-Executive	3	2

iv) Performance evaluation criteria for Independent Directors: The Nomination and Remuneration Committee specified down the evaluation criteria for performance evaluation of Independent Directors. Following are the major criteria applied for performance evaluation:

- Attendance and Participation

- Pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and steps needed to meet challenges from the competition

- Maintaining confidentiality

- Acting in good faith and in the interest of the company as a whole

- Exercising duties with due diligence and reasonable care

- Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion

- Capacity to effectively examine financial and other information on operations of the company and the ability to make positive contribution thereon.

v) Remuneration of Directors :

(a) Pecuniary Relationship of Non-Executive Directors: The Company has no pecuniary relationship or transaction with its Non-Executive Directors other than payment of sitting fees for attending Board and Committee meetings.

(b) The Policy Dossier approved by the Board of Directors contains compensation policy for Directors, (including criteria for making payments to non- executive directors) which has been uploaded on the website of the Company at http://www.gtlinfra.com/investors/corporate-governance/ *inter-alia*, provides for the following:

- **Executive Directors:**
  - o Salary and commission not to exceed limits prescribed under the Act and / or as approved by the Central Government as the case may be.

- o Remunerate from time to time depending upon the performance of the Company, individual Director's performance and prevailing Industry norms.
- o No sitting fees.
- o No Employee Stock Option Scheme for Promoter Directors.

- **Non-Executive Directors:**
  - o Eligible for commission based on time, efforts and output given by them.
  - o Sitting fees and commission not to exceed limits prescribed under the Act.
  - o Eligible for Employee Stock Option Scheme (other than Promoter and Independent Directors).

(c) Details of Remuneration paid to Directors:

(i) Executive Director: Details of remuneration of Executive Director for the financial year ended March 31, 2017 is as under:

Name of the Director`and period of appointment	Salary (₹ Lakh)	Benefits Perquisites and Allowances (₹ Lakh)	Leave Encashment & Company's Contribution to PF (₹ Lakh)	Performance Linked Incentive (₹ Lakh)	Stock Options Held
Milind Naik#	20.09	27.20	2.41*	NIL	NIL

Mr. Milind Naik was re-appointed as Whole-time Director for further period of three (3) years w.e.f. from July 21, 2014, upon expiry of his term on July 20, 2014. The Company has submitted an application to the Central Government for payment of remuneration to him not exceeding ₹ 1.26 Cr. p.a., as approved by the Members in the Annual General Meeting held on September 16, 2014. The approval is still awaited.

* Amount mentioned in Leave Encashment & Company's Contribution to PF & Gratuity column is towards Company's contribution to Provident Fund only. Since the provision of leave encashment and gratuity has been made for the Company as whole, separate figure for him is not available.

The agreement with Whole-time Director is for period of 3 years. Further, either party to the agreement is entitled to terminate the agreement by giving not less than three (3) months' notice in writing to the other party or payment of three (3) months' salary in lieu thereof. There is no separate provision of payment of severance fees.

(ii) Non-Executive Directors

Name	Sitting Fees* (₹ in Lakh)
Mr. Manoj G. Tirodkar	13.25
Mr. N Balasubramanian #	24.00
Dr. Anand P. Patkar #	16.50
Mr. Charudatta K. Naik	17.00
Mr. Vinod B. Agarwala #	23.25
Mr. Vijay M. Vij #	17.50
Mrs. Sonali P. Choudhary	16.25

* Excluding Swachha Bharat Cess Tax

Directors were appointed as Independent Directors from September 16, 2014 to September 15, 2019 and they are not liable to retire.

Note: Currently, the Company does not have any stock option plans/ schemes.

C. Stakeholders' Relationship Committee:

i) Composition: The Stakeholders' Relationship Committee of the Board comprises two Independent Directors' namely Dr. Anand P. Patkar and Mr. Vinod B. Agarwala and two Non-Independent / Non-Executive Director, Mr. Manoj G. Tirodkar and Mrs. Sonali P. Choudhary. Dr. Anand Patkar is the Chairman of the Committee.

The Company Secretary acts as the secretary to the Stakeholders' Relationship Committee.

ii) Terms of Reference: The terms of reference of the Stakeholders' Relationship Committee are as under:

- Look into the redressal of Shareholders' and Investors' complaints/grievances like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc.;
- Review the certificate of the Practicing Company Secretary regarding timely action on transfer, sub-division, consolidation, renewal, exchange or endorsement of calls / allotment monies.

- Oversee the performance of the Registrar and Share Transfer Agent and recommend measures for overall improvement in the quality of investor services.

- Ascertain whether the Registrars & Share Transfer Agents (RTA) are sufficiently equipped with infrastructure facilities such as adequate manpower, computer hardware and software, office space, documents handling facility etc to serve the shareholders / investors;.

- Recommend to the Board, the appointment, reappointment, if required, the replacement or removal of the Registrar and Share Transfer Agent and the fixation of their fees.

- To carry out any other function as required by Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Companies Act and other Regulations.

iii) Number of Stakeholders' Relationship Committee Meetings held and the dates on which held: The Stakeholders' Relationship Committee met Four (4) times during the year under review on April 26, 2016, September 13, 2016, November 22, 2016 and January 24, 2017. The necessary quorum was present for all the meetings. The details of attendance of each Member at the Stakeholders' Relationship Committee meetings held during the year are as under:

Name	Category	Number of meetings during the year 2016-2017	
		Held	Attended
Dr. Anand P. Patkar (Chairman)	Independent, Non-Executive	4	4
Mr. Vinod B. Agarwala	Independent, Non-Executive	4	4
Mr. Manoj G. Tirodkar	Non-Independent, Non-Executive	4	3
Mrs. Sonali P. Choudhary	Non-Independent, Non-Executive	4	4

iv) Name and designation of compliance officer: Mr. Nitesh A. Mhatre, Company Secretary is the Compliance Officer under the Listing Regulations.

v) Details of shareholders' complaints received during year ended March 31, 2017, number not solved to the satisfaction of shareholders and numbers of pending complaints are as follows:

No. of Complaints received	No. of Complaints resolved	No. of Complaints not solved to the satisfaction of shareholders	No. of Pending Complaints
3	3	0	0

4) GENERAL BODY MEETINGS

A. General Meetings:

i) Annual General Meeting:

Financial Year	Date	Time	Venue
2013-14	September 16, 2014	02.00 p.m.	Vishnudas Bhave Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400703
2014-15	September 23, 2015	02:00 p.m.	Marathi Sahitya, Sanskriti & Kala Mandal, Sahitya Mandir Hall, Near Navi Mumbai Sports Association, Sector 6, Vashi, Navi Mumbai 400 703
2015-16	September 21, 2016	1.30 p.m.	Vishnudas Bhave Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400703

ii) Extra-ordinary General Meeting:

Financial Year	Date	Time	Venue
2016-17	March 16, 2017	11.00 a.m.	Marathi Sahitya, Sanskriti & Kala Mandal, Sahitya Mandir Hall, Near Navi Mumbai Sports Association, Sector 6, Vashi, Navi Mumbai 400 703

iii) Special Resolutions:

a) At the Annual General Meeting of the Company held on September 16, 2014, the following Special Resolutions were passed with requisite majority:

- Re-appointment of Mr. Milind Naik as a Whole-time Director of the Company for a period of 3 years.

- Approval of Board of Directors to borrow sums not exceeding ₹ 25,000 Cr.

- Authority to Issue Securities either through public issue or private placement for an amount not exceeding ₹ 4000 Cr.

b) At the Annual General Meeting of the Company held on September 23, 2015, the following Special Resolutions were passed with requisite majority:

- Approval of material Related Party Transactions with GTL Limited.
- Approval of material Related Party Transactions with Chennai Network Infrastructure Limited.

c) At the Annual General Meeting of the Company held on September 21, 2016, no Special Resolutions were passed.

d) At the Extra-ordinary General Meeting of the Company held on March 16, 2017, the following Special Resolutions were passed with requisite majority:

- To convert Debt into Equity under SDR Scheme and consequently issue and allot equity shares to CDR/ JLF Lenders.
- To restructure the outstanding Foreign Currency Convertible Bonds.
- To create, issue, offer and allot Foreign Currency Convertible Bonds/ Equity Shares/ Compulsorily Convertible Preference Shares.
- To Alter Capital Clause of the Articles of Association of the Company.

iv) **Details of Special Resolutions passed last year through postal ballot and details of voting pattern:** During the year under review, the Company has not passed any special resolution by postal ballot.

v) **Person who conducted the postal ballot exercise:** Not Applicable

vi) **Whether special resolutions are proposed to be conducted through postal ballot:** No special resolution is proposed to be conducted through postal ballot.

vii) **Procedure for postal ballot:** As and when situation arise, postal ballot shall be conducted as per the provisions of the Act and Rules made there under.

5) MEANS OF COMMUNICATION:

i) **Quarterly Results:** The Company's quarterly financial results are generally published in the Free Press Journal (English language) and in Mumbai Navshakti (Local language). The financial results are also displayed on the website of the Company.

ii) **Website where displayed:** http://www.gtlinfra.com

iii) **Official news releases and presentation:** Press Releases, if any, made by the Company from time to time are displayed on the Company's website. Presentations made to institutional investors or analysts after declaration of the results, if any, are also displayed on the Company's website.

6) GENERAL SHAREHOLDER 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 L74210MH2004PLC144367.

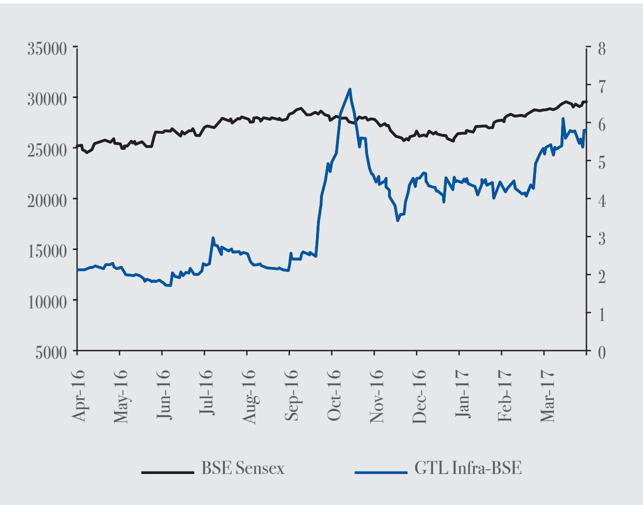
i)	**Annual General Meeting:**		
	Date	:	September 21, 2017
	Time	:	1.00 P.M.
	Venue	:	Vishnudas Bhave Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400703, Maharashtra, India.
ii)	**Financial Year**	:	April 1 to March 31
iii)	**Dividend Payment**	:	No Dividend has been recommended.
iv)	**Listing on Stock Exchanges**	:	Equity shares listed at
			i) BSE Limited (BSE) - P. J. Tower, Dalal Street, Mumbai 400 023 and ii) National Stock Exchange of India Limited (NSE) - Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. **Foreign Currency Convertible Bonds (FCCB)** listed at Singapore Exchange Securities Trading Limited - 2, Shenton Way, #02-02 SGX Centre 1, Singapore 068804.
v)	**Listing Fees for 2017-18**	:	BSE/NSE listing fees for the financial year 2017-2018 was paid by the Company within the prescribed time.
vi)	**Stock Exchange Codes:**		
	BSE - Equity Shares	:	532775
	NSE- Equity Shares	:	GTLINFRA
	Reuters Code	:	GTLI.BO & GTLI.NS
	Bloomberg ticker	:	GTLI:IN
	Equity ISIN	:	INE221H01019
	Singapore Exchange Securities Trading Limited	:	FCCB Series 'A' - XS0854042537 FCCB Series 'B' - XS0854044822

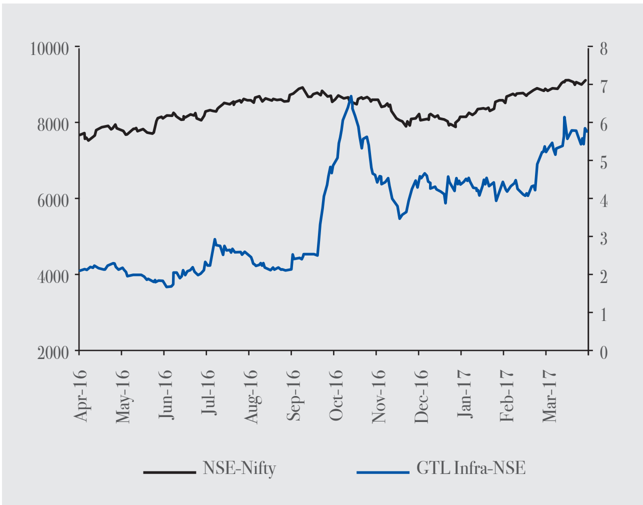
vii) Market price data:

High, low (based on daily closing prices) and number of equity shares traded during each month in the year 2016-17 on NSE and BSE:

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (nos.)	High (₹)	Low (₹)	Volume (nos.)
April 2016	2.30	2.10	11,685,448	2.30	2.14	6,933,837
May 2016	2.20	1.80	17,490,688	2.19	1.81	6,859,446
June 2016	2.35	1.70	32,167,192	2.32	1.71	17,197,956
July 2016	2.95	2.25	66,607,787	2.98	2.25	84,344,623
August 2016	2.50	2.10	17,513,387	2.54	2.10	7,777,149
September 2016	4.90	2.40	233,254,384	4.96	2.37	116,828,089
October 2016	6.70	4.65	222,596,341	6.93	4.66	157,222,949
November 2016	4.60	3.50	97,726,173	4.60	3.45	46,452,123
December 2016	4.70	3.90	61,056,885	4.70	3.93	23,488,799
January 2017	4.55	3.95	69,414,149	4.57	3.99	19,442,203
February 2017	5.25	4.10	62,457,423	5.27	4.09	19,760,356
March 2017	6.15	5.20	119,083,965	6.13	5.17	43,146,881

viii) Performance of the share price of the Company in comparison to the BSE Sensex and NSE Nifty





ix) Registrar and Share Transfer Agents:

Name and Address	:	GTL Limited (Investor Services Centre) Electronic Sadan II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400 710
Telephone	:	+91-22-27612929 / 27673000 Extn: 2232-35
Fax	:	+91-22-27680171

x) Share transfer system in physical form:

As majority of shares of the Company are held in electronic (demat) form, requests for transfer of shares in physical form are negligible. However, majority of share transfer requests are processed and the share certificates 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 securities of the Company to Allotment and Transfer Committee of the Board of Directors of the Company, which meets regularly to approve the share transfer and other related work. A summary of transfer / transmission etc. of securities of the Company so approved by the said Committee is placed quarterly at the Board Meetings. The Company obtains from a Company Secretary in Whole-time Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

The total number of physical shares transferred during the year under review was 1,568 (Previous year 704).

xi) Distribution of Shareholding as on March 31, 2017:

a. Distribution of equity shareholding as on March 31, 2017:

No. of Shares	No. of Shareholders	% of Shareholders	Share amount (₹)	% to total amount
Upto 500	123,019	68.60	211,542,790	0.86
501 - 1000	20,704	11.55	179,074,250	0.73
1001 - 2000	12,766	7.12	204,503,680	0.83
2001 - 3000	5,543	3.09	145,645,700	0.59
3001 - 4000	2,470	1.38	90,599,960	0.37
4001 - 5000	3,699	2.06	179,749,180	0.73
5001 - 10000	5,054	2.82	396,817,610	1.61
10001 & ABOVE	6,070	3.38	23,192,900,330	94.28
TOTAL	**179,325**	**100.00**	**24,600,833,500**	**100.00**

b. Distribution of shares by categories of shareholders:

Category	No. of Shares Held	% Holding
Promoter & Promoter Group	628,826,075	25.56
Bodies Corporate (Domestic) / Trust / Clearing Members	83,277,482	3.39
Banks	879,895,743	35.77
Mutual Funds	214	0.00
Financial Institutions (FIs)	30,094,886	1.22
Foreign Institutional Investors (FIIs)	75,000	0.00
Non-Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign Banks / RFPI - Corporate	404,858,198	16.46
Resident Individuals	433,055,752	17.60
TOTAL:	**2,460,083,350**	**100.00**

c. Top 10 equity shareholders of the Company as on March 31, 2017:

Name(s) of Shareholders	Category	No. of Shares	% holding
GTL Limited (Promoter)	Domestic Company	345,763,466	14.05
Global Holding Corporation Private Limited (Promoter Group)	Domestic Company	283,062,609	11.51
ELM Park Fund Limited	RFPI – Corporate	179,971,057	7.32
Indian Overseas Bank	Banks	161,976,510	6.58
Union Bank of India	Banks	120,754,706	4.91
Bank of India	Banks	107,834,016	4.38
Bank of Baroda	Banks	89,807,214	3.65
Hypnos Fund Limited	RFPI-Corporate	88,255,740	3.59
Central Bank of India	Banks	61,250,806	2.49
Andhra Bank	Banks	56,935,410	2.31

xii) Dematerialization of shares and liquidity:

Trading in equity shares of the Company on the Stock Exchanges is permitted only in dematerialized form as per notification issued by the Securities and Exchange Borad of India (SEBI). The Shares of the Company are available for trading under the depository systems in India – NSDL & CDSL. 99.98% of the Company's shares are held in dematerialized form as on March 31, 2017. The Company's equity shares are among the actively traded shares on the BSE & NSE.

xiii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The details of outstanding convertible instrument are as follows:

Particulars	No. of Series A FCCBs (of US$ 1,000 each) *	No. of Series B FCCBs (of US$ 1,000 each) * *	Total No. of FCCBs (of US$ 1000 each)	No. of Equity Shares upon Conversion
FCCBs allotted	111,740	207,546	319,286	-
Converted / cancelled till date	87,572	14,013	101,585	550,796,501
Balance as on April 27, 2017	24,168	193,533	217,701	-

* Series A Bonds are compulsorily convertible into equity shares on or before November 2, 2017.

* * Series B Bonds carry an option to convert these bonds into equity shares at any time up to the close of business on November 2, 2017.

The Company is in process of restructuring its Series B Bonds. If all the balance compulsorily convertible FCCBs, assuming the successful implementation of proposed restructuring, are converted into equity shares of the Company, the total share capital would go up by around 948,741,384 new equity shares of the Company. Further, the Company has excluded such number of convertible securities which are likely to be redeemed in terms of the proposed restructuring of FCCBs approved by the lenders at the time of implementation of the Strategic Debt Restructuring Scheme in above calculation.

xiv) Equity shares in the Suspense Account:

The Company has no cases as are referred to in Regulation 34 read with Schedule V of the Listing Regulations.

Members are requested to note that in compliance of Regulation 34 read with Schedule V of the Listing Regulations, the Company has dematerialized all the unclaimed shares into "GTL Infrastructure Limited – Unclaimed Suspense Account" with of the Depository Participant. The voting rights of those members shall remain frozen till the rightful owner claims the shares.

As stipulated under Regulation 34 read with Schedule V of the Listing Regulations, the Company reports the following details of equity shares lying in the suspense account as on March 31, 2017.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2016	490	49,857
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares remaining unclaimed as on March 31, 2017	490	49,857

xv) Plant Locations:

The Company is in the business of providing Telecom Towers on a shared basis to multiple wireless telecom service providers. As of March 31, 2017, the Company owns Telecom Towers across all 22 telecom circles in India. List of Branch Offices and addresses are provided elsewhere in this Annual Report.

xvi) Address for correspondence:

Registered Office : GTL Infrastructure Limited, (CIN: L74210MH2004PLC144367)
3rd Floor, "Global Vision",
Electronic Sadan No. II,
MIDC, TTC Industrial Area,
Mahape, Navi Mumbai – 400710,
Maharashtra, India
Tel: +91-22-27673500
Fax: +91-22-27673666
Website: www.gtlinfra.com
Email for Investor Grievances: gilshares@gtlinfra.com

7) DISCLOSURES:

a. All the transactions entered into with the Related Parties as defined under the Act and Regulation 23 of the Listing Regulations, during the year under review, were in ordinary course of business and at arms' length basis. The necessary disclosures in respect to 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.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at following link : http://www.gtlinfra.com/investors/corporate-governance/

b. Details of non-compliance by the Company, penalties and 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 viz. 2014-15, 2015-16 and 2016-17 respectively: NIL

c. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No personnel have been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at following link http://www.gtlinfra.com/investors/corporate-governance/

d. The Company has complied with Part C of Schedule V of the Listing Regulations.

e. The Company does not have any subsidiary in terms of Section 2(87) of the Act and Regulation 2(1)(zm) of Listing Regulations. Further, the Company has beneficial interest in a Trust, through which the Company holds investment in its Associate.

The Company has adopted policy for determining 'material' subsidiary, which is uploaded on web link - http://www.gtlinfra.com/investors/corporate-governance/

f. The Company is not dealing in commodity and hence disclosure relating to commodity price risk and commodity hedging activities are not applicable. The Company has foreign currency loan and Foreign Currency Convertible Bonds (FCCBs), which pose a foreign currency risk as this is un-hedged.

g. Non- Mandatory / Discretionary Requirements

The Company has fulfilled following discretionary requirements as prescribed in Part E of the Schedule II of the Listing Regulations:

i. The Board has Non-Executive Chairman. The expenses incurred by him in the performance of his duties are reimbursed.

ii. 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.gtlinfra.com and disseminated to the Stock Exchanges (i.e. BSE & NSE) wherein its equity shares are listed, hence the same are not sent to the shareholders separately.

iii. Modified opinion(s) in Audit Report –

For the F.Y. 2016-17, the Joint Auditors of the Company have issued modified opinion w.r.t. the Company's inability to quantify the amount of property tax on its telecom towers to be ultimately borne by it due to various petitions pending before appropriate authorities, non-receipt of property tax demands, as well as Company's contractual rights to recover such property tax from its customers.

iv. Separate post of Chairman and CEO -

The Post of Chairman and Whole-time Director are separate.

v. Reporting of Internal Auditor –

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

h. The Company has complied with all requirements of corporate governance report of sub-paras (2) to (10) of Schedule V of the Listing Regulations.

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

j. **Code of Conduct for Directors and Senior Management:** In compliance with Regulation 26(3) of the Listing Regulations and the Act, the Company has framed and adopted a Code of Conduct and Ethics ('the Code') for all Board Members and Senior Management of the Company. The members of the Board and Senior Management personnel have affirmed the compliance with the Code of Conduct applicable to them during the year under review. The Annual Report of the Company contains a certificate by the Whole-time Director based on the declarations received from the Independent Directors, Non-Executive Directors and Senior Management. The said Code of Conduct has been uploaded on the website of the Company at following link http://www.gtlinfra.com/investors/corporate-governance/

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

Mr. Charudatta K. Naik

Mr. Charudatta Naik has over 28 years of experience in telecom industry spanning across technical support, sales & marketing and business operations. He was also the Chief Operating Officer and Whole-Time Director of GTL Limited where he played a vital role in initiation and establishment of network engineering division of GTL Limited and sale of the Enterprise Solutions division to the global leader Orange Business Services. He has extensive experience in business operations in both domestic and international markets. He serves on the advisory board of Global Foundation, the charitable arm of the Global Group and personally contributes his time to ensure the success of social projects. Mr. Charudatta Naik has earlier worked with companies like Crompton Greaves and Unitel Communications. He is an engineering graduate in electronics & telecom. He is a member of Audit Committee of the Company. Mr. Naik's shareholding in the Company is 1,325,900 equity shares.

Mr. Milind K. Naik, Whole time Director

Mr. Milind Naik has over 32 years of experience in the field of telecom turnkey project implementation, manufacturing of steel structures for telecom, transmission, wind energy and infrastructure industries, R & D and manufacturing of energy management solutions (EMS) for Telcos, EPC in EMS & renewable energy, procurement & logistics, accounts, banking & finance, treasury operations, foreign exchange, taxation and administration. In the past, he has worked with Syndicate Bank, Bank of India and Saraswat Co-op. Bank Ltd before joining Global Group in 1984. Before joining the Company, he worked as a Managing Director of Global Towers Ltd., a Global Group Company. He has enormous experience within the country as well as abroad. Mr. Naik's shareholding in the Company is 19,000 equity shares.

DECLARATION OF WHOLE-TIME DIRECTOR

Pursuant to the provisions of Regulation 34(3) read with Schedule V(D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all the Board Members and Senior Management Personnel of GTL Infrastructure Limited have affirmed compliance with the Code of Conduct for 'Directors and Senior Management' for the year ended March 31, 2017.

Place: Mumbai
Dated: April 27, 2017

Milind Naik
Whole-time Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
GTL Infrastructure Limited

We have examined the compliance of conditions of Corporate Governance by **GTL Infrastructure Limited** ('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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

MANAGEMENTS' RESPONSIBILITY

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 Listing Regulations.

AUDITORS' RESPONSIBILITY

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.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

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.

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.

EMPHASIS OF MATTER

We draw your attention to Point No. 3B(V)(c)(i) of the report on Corporate Governance regarding remuneration paid to a Whole Time Director, which is subject to the approval of Central Government.

Our opinion is not modified in respect of this matter.

OPINION

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 Listing Regulations during the year ended March 31, 2017.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Chaturvedi & Shah
Chartered Accountants
Firm Reg. No. 101720W

R. Koria
Partner
Membership No. – 35629
Place: Mumbai
Date: April 27, 2017

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

CA S. S. Yeolekar
Partner
Membership No. – 036398

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GTL INFRASTRUCTURE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **GTL INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance sheet as at March 31, 2017, 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 significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

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 Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act.

This responsibility also includes 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 misstatements.

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.

Basis for Qualified Opinion

Attention is drawn to Note No. 40 to the Standalone Ind AS Financial Statements, the Hon'ble Supreme Court of India held that "Mobile Telecommunication Tower" is a building and State can levy property tax on the same. Pending Special Leave Petition before the Hon'ble Supreme Court in this regard, other petitions of the Company before other appropriate Courts, non-receipt of demand notices for property tax in respect of majority of the Telecommunication Towers and also due to company's right to recover such property tax amount from certain customers, the company is unable to quantify the amount of property tax to be borne by it and accordingly has not made any provision for the same.

We are unable to quantify the amount of the property tax, if any, to be accounted for and its consequential effects on the Standalone Ind AS Financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph above, 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, of the state of affairs of the Company as at March 31, 2017, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the:

a. Note no. 4.1 regarding Company's Investment through Tower Trust in its associate company Chennai Network Infrastructure Limited (CNIL) amounting to ₹181,572 Lakhs as at March 31, 2017. The associate has incurred cash losses and whose net worth has been eroded substantially. However, no provision for diminution in the value of investment has been considered necessary by the management for the reasons stated therein.

b. Note no. 29.1 regarding managerial remuneration paid to a whole time director which is in excess of the limits prescribed under the Act. The Company has applied to the Central Government for necessary approval which is awaited.

c. Note no. 41 regarding Scheme of Amalgamation (the scheme) between CNIL and the Company pending for the necessary modifications and approvals and preparation of standalone Ind AS financial statements without giving effect of this scheme and to give the effect as and when the scheme becomes effective.

d. Note no. 44 regarding preparation of the Standalone Ind AS Financial Statements of the Company on a going concern basis notwithstanding the fact that the Company has been incurring cash losses and its net worth has been fully eroded as on March 31, 2017. Standalone Ind AS Financial Statements have been prepared on going concern basis for the reasons stated in the said note. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise requisite finance / generate cash flows in future to meet its obligations.

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 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.

   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under Section 133 of the Act.

   e. The going concern matter described in subparagraph (d) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   f. On the basis of the written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   g. 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"**.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with Notification no. G.S.R. 307 (E) dated 30th March 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 in Note Nos. 36, 38 and 39 to the standalone Ind AS financial statements except in respect of property tax as detailed in Note No. 40 to the standalone Ind AS financial statements where the amount is not quantifiable and which is also a matter of qualified opinion in this report;

      ii. The Company has made provisions, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      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 10.1 of Standalone Ind AS Financial Statements).

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

For Chaturvedi & Shah	**For Yeolekar & Associates**
Chartered Accountants	Chartered Accountants
Firm Reg. No. 101720W	Firm Reg. No. 102489W
R. Koria	**CA S. S. Yeolekar**
Partner	**Partner**
Membership No. 35629	Membership No. 036398

Place: Mumbai
Dated: April 27, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(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 Infrastructure Limited on the standalone Ind AS financial statements for the year ended March 31, 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 INFRASTRUCTURE LIMITED** ('the Company') as of March 31, 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 issued by the ICAI and the Standards of Auditing specified 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 judgement, 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 at March 31, 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 Chaturvedi & Shah	**For Yeolekar & Associates**
Chartered Accountants	Chartered Accountants
Firm Reg. No. 101720W	Firm Reg. No. 102489W
R. Koria	**CA S. S. Yeolekar**
Partner	**Partner**
Membership No. 35629	Membership No. 036398

Place: Mumbai
Dated: April 27, 2017

ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT

(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 INFRASTRUCTURE LIMITED** on the standalone Ind AS financial statements for the year ended March 31, 2017)

i. In respect of its fixed assets:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments on the basis of available information.

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

c. According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company except in respect of one of the immovable properties as detailed below:

(₹ in Lakhs)

Sr. No.	Particulars of the Building	Leasehold/ Freehold	Net Book Value	Remarks
1	Building at Wanawadi, Pune (Pledged with the Bank)	Freehold	572	The title deed is in the name of Global Electronic Commerce services Limited, which was merged with GTL Limited (the seller)

Further, as informed to us, in respect of 8 immovable properties having the Net Book Value of ₹ 3,584 Lakhs (Including 7 immovable properties having Net Book Value of ₹ 3,582 Lakhs in respect of which the original title deeds have been deposited with the lenders as security) have been verified based on the photocopies of the documents for those immovable properties and based on such documents, the title deeds are held in the name of the Company.

ii. As explained to us, inventories have been physically verified during the year by the management and in our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and 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. In respect of loans, secured or unsecured, granted by the Company to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act:

a. The Company has given advances in the nature of loan to one such party, and in our opinion and according to the information given to us, the rate of interest and other terms and conditions on which the loan has been granted to the body corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

b. The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and /or receipts of interest have been regular as per the stipulations.

c. There are no overdue amounts as at the year-end in respect of both principal and interest.

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 grant of loans, making investments and providing guarantees and securities.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the provision of sections 73 to 76 of the Act and the Rules framed thereunder. Therefore, the provisions of paragraph 3 (v) 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 paragraph 3(vi) of the CARO 2016 are not applicable to the Company.

vii. According to the information and explanations given to us in respect of statutory dues:

a. The Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable, with the appropriate authorities during the year. According to information and explanation given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2017 for a period of more than six months from the date they become payable.

b. The disputed statutory dues of sales tax, Entry Tax and Value Added Tax aggregating to ₹1,159 Lakhs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statutes	Nature of the Dues	Period to which it relates	₹ in Lakhs (*)	Forum where the dispute is pending
Central Sales Tax Act, 1956 and Sales Tax Acts of various States	Sales Tax / VAT / Entry Tax	2008-09	91	High Court
		2009-10 and 2010-11	7	Appellate Tribunal
		2008-09 and 2009-10	188	Commissioner (Appeal)
		2007-08, 2008-09, and 2009-10	139	Additional Commissioner (Appeal)
		2008-09, 2009-10, 2010-11, 2013-14 and 2014-15	9	Joint Commissioner (Appeal)
		2010-11 to 2011-12	46	Sr. Joint Commissioner (Appeal)
		2007-08 to 2010-11	676	Deputy Commissioner (Appeal)
		2006-07	3	Assistant Commissioner
Total			**1,159**	

(*) Net of amount deposited under protest

viii. Based on our audit procedures and information and explanations given by the management, and considering the Corporate Debt Restructuring (CDR) scheme and other restructuring schemes with foreign lender and FCCB holders, we are of the opinion that as on March 31, 2017 the Company has defaulted in repayment of loans to banks and financial institutions aggregating to ₹ 33,156 Lakhs. Lender wise details of such default are as under:

(₹ in Lakhs)

Sr. No.	Bank / Financial Institution	Amount of default as at the balance sheet date	
		Below 100 days	**Above 100 days**
1	Indian Overseas Bank	3,613	2,674
2	Punjab National Bank	933	485
3	Corporation Bank	456	315
4	Union Bank of India	2,704	1,842
5	Bank of Baroda	2,002	1,168
6	Oriental Bank of Commerce	389	258
7	Andhra Bank	1,273	726
8	Bank of India	1,755	950
9	Central Bank of India	1,370	831
10	Canara Bank	447	330
11	IDBI Bank	194	140
12	Vijaya Bank	196	139
13	LIC of India	491	292
14	State Bank of Bikaner and Jaipur	98	65
15	Indian Bank	663	355
16	State Bank of India	1,242	693
17	State Bank of Patiala	196	114
18	State Bank of Travancore	196	109
19	United Bank of India	900	535
20	Dena Bank	321	160
21	Axis Bank	263	120
22	Deutsche Investitions-undEntwicklungsgesellschaft mbH (DEG)	261	892
	Total	**19,963**	**13,193**

ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, provisions of paragraph 3 (ix) 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 the records the Company, in respect of remuneration of ₹ 50 Lakhs paid to a Whole Time Director, the requisite approval sought by the Company from the Central Government as mandated by the provisions of section 197 read with Schedule V of the Act, is awaited.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of paragraph 3 (xii) 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 the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of paragraph 3 (xiv) of the CARO 2016 are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of paragraph 3 (xv) of the CARO 2016 are not applicable to the Company.

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Chaturvedi & Shah	**For Yeolekar & Associates**
Chartered Accountants	Chartered Accountants
Firm Reg. No. 101720W	Firm Reg. No. 102489W
R. Koria	**CA S. S. Yeolekar**
Partner	**Partner**
Membership No. 35629	Membership No. 036398

Place: Mumbai
Dated: April 27, 2017

BALANCE SHEET
AS AT MARCH 31, 2017

(₹ in Lakhs)

Particulars	Notes	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	3 (a)	3,13,809	3,26,036	3,43,073
(b) Capital work-in-progress	3 (b)	4,332	4,566	5,399
(c) Intangible Assets	3 (c)	27	48	99
(d) Financial Assets				
(i) Investments	4	1,89,682	1,89,682	1,90,224
(ii) Loans	5	3,763	3,227	2,862
(e) Other Non-current Assets	6	5,950	2,549	16,655
		5,17,563	**5,26,108**	**5,58,312**
(2) Current Assets				
(a) Inventories	7	34	46	61
(b) Financial Assets				
(i) Investments	8	598	994	6,383
(ii) Trade Receivables	9	6,475	8,524	15,160
(iii) Cash and Cash Equivalents	10	3,777	4,624	3,465
(iv) Bank Balances other than (iii) above	11	245	228	210
(v) Loans	12	1,741	4,383	1,293
(vi) Others	13	5,844	3,895	3,721
(c) Current Tax Assets (Net)	14	5,500	4,569	3,274
(d) Other Current Assets	15	2,647	7,706	9,857
		26,861	**34,969**	**43,424**
Total Assets		**5,44,424**	**5,61,077**	**6,01,736**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	16	2,46,008	2,33,639	2,32,515
(b) Other Equity	17	(2,51,721)	(2,14,551)	(1,53,797)
		(5,713)	**19,088**	**78,718**
LIABILITIES				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	3,07,348	4,71,596	4,77,773
(ii) Other Financial Liabilities	19	2,427	1,936	1,848
(b) Provisions	20	4,850	4,601	4,317
(c) Other non-current Liabilities	21	5,757	6,239	6,345
		3,20,382	**4,84,372**	**4,90,283**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	22	4,072	1,860	2,970
(ii) Others Financial Liabilities	23	2,14,746	53,495	27,551
(b) Other Current Liabilities	24	10,903	2,220	2,178
(c) Provisions	25	34	42	36
		2,29,755	**57,617**	**32,735**
Total Equity and Liabilities		**5,44,424**	**5,61,077**	**6,01,736**
Significant Accounting Policies	2			
See accompanying Notes to the Financial Statements	1 to 57			

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah	**For Yeolekar & Associates**	**MILIND NAIK**	**MANOJ TIRODKAR**
Chartered Accountants	Chartered Accountants	**Whole Time Director**	**Chairman**
Firm Regd. No. 101720W	Firm Regd. No. 102489W	DIN-00276884	DIN-00298407
R KORIA	**CA S.S.YEOLEKAR**	**VIJAY VIJ**	**L Y DESAI**
Partner	Partner	Director	Chief Financial Officer
Membership No: 35629	Membership No:036398	DIN-02245470	
			NITESH MHATRE
			Company Secretary
			Membership No: A18487

Mumbai
Date: April 27, 2017

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from Operations	26	95,211	91,278
Other Income	27	1,492	1,765
Total Income		**96,703**	**93,043**
EXPENSES			
Infrastructure Operation & Maintenance Cost	28	45,516	46,061
Employee Benefits Expense	29	2,187	3,367
Finance Costs	30	45,870	46,895
Depreciation/Impairment and Amortization Expenses	3	23,913	25,165
Bad Debts and Provision for Trade Receivables	31	2,147	9,066
Exchange Differences (Net)	32	2,227	8,888
Others	33	5,055	3,485
Total Expenses		**1,26,915**	**1,42,927**
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		**(30,212)**	**(49,884)**
Exceptional Item	34	-	10,655
PROFIT/(LOSS) BEFORE TAX		**(30,212)**	**(60,539)**
Tax Expenses		-	-
PROFIT/(LOSS) FOR THE YEAR		**(30,212)**	**(60,539)**
Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(I) Remeasurement of the defined benefit plans		44	40
(B) Items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income		**(44)**	**(40)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(30,256)**	**(60,579)**
Earnings Per Equity Share of Face value of ₹10 each	43		
Basic and Diluted		**(1.26)**	**(2.60)**
Significant Accounting Policies	2		
See accompanying Notes to the Financial Statements	1 to 57		

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Regd. No. 101720W

R KORIA
Partner
Membership No: 35629

For Yeolekar & Associates
Chartered Accountants
Firm Regd. No. 102489W

CA S.S.YEOLEKAR
Partner
Membership No:036398

Mumbai
Date: April 27, 2017

For and on behalf of the Board of Directors

MILIND NAIK
Whole Time Director
DIN-00276884

MANOJ TIRODKAR
Chairman
DIN-00298407

VIJAY VIJ
Director
DIN-02245470

L Y DESAI
Chief Financial Officer

NITESH MHATRE
Company Secretary
Membership No: A18487

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax as per Statement of Profit and Loss	(30,212)	(60,539)
	ADJUSTED FOR		
	Depreciation and amortization expenses	23,913	25,165
	Loss on sale of Property, Plant and Equipment (PPE)	986	-
	Profit on Sale of PPE (net)	-	(268)
	Interest Income	(786)	(631)
	Finance Costs	45,870	46,895
	Foreign Exchange (Gain)/Loss (Net)	2,227	8,888
	Profit on sale of Investments	(109)	(272)
	Exceptional Items	-	10,655
	Balances Written off	2	206
	(Net of Provision for Doubtful Debts/Advances written Back)		
	Provision for Trade Receivables and Energy Recoverables	2,145	8,861
	Miscellaneous Income on Assets retirement obligation (ARO)	(12)	(4)
	Financial Guarantee Obligation- Commission	(541)	(541)
	Prepaid Rent amortization	77	78
	Advance revenue on deposits	(261)	(287)
	Merger Expenses	-	203
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	**43,299**	**38,409**
	ADJUSTMENTS FOR		
	Trade and Other Receivables	**2,658**	**3,560**
	Inventories	**12**	14
	Trade and Other Payables	9,301	4,226
	CASH GENERATED FROM OPERATIONS	**55,270**	**46,210**
	Taxes paid (Net)	(931)	(1,295)
	NET CASH FLOW FROM OPERATING ACTIVITIES	54,339	44,915

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment and Capital Work-in-progress	(19,825)	(8,507)
	Proceeds from disposal of PPE & CWIP	2,157	3,558
	Advance to associate (net)	2,130	(2,662)
	Purchase of Investments	(55,980)	(13,902)
	Sale of Current Investments	56,484	19,562
	Interest Income	1,179	75
	NET CASH USED IN INVESTING ACTIVITIES	**(13,855)**	**(1,876)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Long-term Borrowings	(3,274)	(9,803)
	Interest and Finance charges Paid	(38,040)	(32,060)
	Fixed Deposits with Banks pledged as Margin Money, Debt Service Reserve Account and others	(17)	(17)
	NET CASH USED IN FINANCING ACTIVITIES	**(41,331)**	**(41,880)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(847)**	**1,159**
	Cash and Cash Equivalents (Opening Balance) *	**4,624**	**3,465**
	Cash and Cash Equivalents (Closing Balance) *	**3,777**	**4,624**

* Refer Note No.10 to the Financial Statements for the year ending March 31, 2017

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Cash Flow Statements".

(ii) Figures in bracket indicate Outflows.

(iii) Previous year's figures have been regrouped / rearranged/reclassified wherever necessary to make them comparable with those of current year.

As per our report of even date

For Chaturvedi & Shah	**For Yeolekar & Associates**	For and on behalf of the Board of Directors	
Chartered Accountants	Chartered Accountants	**MILIND NAIK**	**MANOJ TIRODKAR**
Firm Regd. No. 101720W	Firm Regd. No. 102489W	**Whole Time Director**	**Chairman**
		DIN-00276884	DIN-00298407
R KORIA	**CA S.S.YEOLEKAR**	**VIJAY VIJ**	**L Y DESAI**
Partner	Partner	Director	Chief Financial Officer
Membership No: 35629	Membership No:036398	DIN-02245470	
			NITESH MHATRE
Mumbai			Company Secretary
Date: April 27, 2017			Membership No: A18487

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2017

(A) EQUITY SHARE CAPITAL

Particulars	Number	₹ in Lakhs
Equity Shares of INR 10 each issued, subscribed and fully paid		
Balance at the beginning of the reporting year i. e. April 1, 2015	2,32,51,47,780	2,32,515
Issued during the Year		
- On conversion of Foreign Currency Convertible Bonds	1,12,41,013	1,124
Balance at the end of the reporting year i. e. March 31, 2016	**2,33,63,88,793**	**2,33,639**
Issued during the Year		
- On conversion of Foreign Currency Convertible Bonds	12,36,94,557	12,369
Balance at the end of the reporting year i. e. March 31, 2017	**2,46,00,83,350**	**2,46,008**

(B) OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves & Surplus						Other Comprehensive Income	Other Equity
	Equity Component of Compound Financial Instruments	Capital Reserve	Securities premium account	Reconstruction Reserve	Foreign Currency Monetary Item Translation Diff. Account	Retained earnings		
Balance at the beginning of the reporting year i. e. April 1, 2015	26,605	1,846	60,667	1,993	(9,100)	(2,35,808)	-	**(1,53,797)**
- On conversion of Foreign Currency Convertible Bonds to Equity	(1,124)	-	-	-	-	-	-	**(1,124)**
Total Comprehensive Income for the year	-	-	-	-	-	(60,539)	(40)	**(60,579)**
Re-instatement/Amortisation of exchange difference to Statement of Profit & Loss	-	-	-	-	949	-	-	**949**
Balance at the end of the reporting year i. e. March 31, 2016	**25,481**	**1,846**	**60,667**	**1,993**	**(8,151)**	**(2,96,347)**	**(40)**	**(2,14,551)**
- On conversion of Foreign Currency Convertible Bonds to Equity	(12,369)	-	-	-	-	-	-	**(12,369)**
Total Comprehensive Income for the year	-	-	-	-	-	(30,212)	(44)	**(30,256)**
Re-instatement/Amortisation of exchange difference to Statement of Profit & Loss	-	-	-	-	5,455	-	-	**5,455**
Balance at the end of the reporting year i. e. March 31, 2017	**13,112**	**1,846**	**60,667**	**1,993**	**(2,696)**	**(3,26,559)**	**(84)**	**(2,51,721)**

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Regd. No. 101720W

R KORIA
Partner
Membership No: 35629

For Yeolekar & Associates
Chartered Accountants
Firm Regd. No. 102489W

CA S.S.YEOLEKAR
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For and on behalf of the Board of Directors

MILIND NAIK
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VIJAY VIJ
Director
DIN-02245470

L Y DESAI
Chief Financial Officer

NITESH MHATRE
Company Secretary
Membership No: A18487

Mumbai
Date: April 27, 2017

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 1 CORPORATE INFORMATION

GTL Infrastructure Limited (GIL) is domiciled and incorporated in India under the provision of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The registered office of the Company is located at Global Vision, 3rd Floor, Electronic Sadan II, MIDC TTC Industrial Area, Mahape, Navi Mumbai- 400 710, India.

The Company is in the business of passive infrastructure sharing which is based on building, owning, operating and maintaining passive telecom infrastructure sites capable of hosting active network components of various technologies of multiple telecom operators as well providing energy management solutions .

These Financial Statements were approved for issue by the Board of Directors on April 27, 2017.

NOTE - 2 BASIS OF PREPARATION AND PRESENTATION

The financial statements of the Company have been prepared on a going concern basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under 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 53 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
- Defined Benefit Plans- measured at Fair Value

The preparation of the financial statements requires management to make estimates and underlying assumptions. Actual results could vary from these estimates. The estimated 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.

The Company's financial statements are presented in Indian Rupees (₹) which is its functional and presentation currency. All values are rounded off to the nearest lakhs (100,000), except when otherwise indicated.

2 (A) Significant Accounting Policies

2.1. Property, Plant & Equipment

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

(b) Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost, any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

(c) The tangible assets at cellular sites, which are ready for use during the particular month are capitalised on the last day of the month.

(d) Advances paid towards acquisition of fixed assets are disclosed as Capital Advances under Loans and Advances and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.

(e) Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method over the useful life of the assets as 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.

Asset	Years
Network Operation Assets	9
Air Conditioners	9
Electrical and Power Supply Equipment	9
Office Equipment	3
Furniture and fittings	5
Vehicles	5

The management believes that the useful lives as given above represent the period over which these assets are expected to be used.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(f) The towers have been depreciated on straight line method at the rate of 2.72% per annum based on useful life of 35 years in terms of specific approval received from the Ministry of Corporate Affairs, Government of India vide Order no.45/2/2010-CL-III dated May 26, 2010 issued under Section 205(2)(d) of the Companies Act, 1956.The approval continues to be valid vide letter no.51/9/2014-CL-III dated September 19, 2014 received from Ministry of Corporate Affairs, Government of India.

(g) Further, In respect of Fixed Assets whose actual cost does not exceed ₹ 5,000, depreciation is provided at 100% in the year of addition

(h) The leasehold improvements have been depreciated over the lease period.

(i) The revised carrying amount of the assets identified as impaired have been depreciated over residual useful life of the respective assets

(j) 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.

(k) Gains or losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

2.2. Intangible Assets

On transition to Ind AS, the Company has elected to continue with the previous GAAP carrying values as deemed cost.

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognised 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 estimated by the management as mentioned below:

Computer Software	3 years

2.3. 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, 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 CGUs 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.

2.4. Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and 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.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.5. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks, on hand, cheques in hand, funds in transit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.6. 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.

I) Financial assets

A. 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.

B. Subsequent measurement

i) 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.

ii) 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 debts to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) 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

C. Equity investments

All equity investments other than investment in Subsidiary and Associate 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 makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

D. Investment in subsidiaries and associates

The Company has accounted for its investments in subsidiaries and associates at cost in financial statements

E. 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.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

F. **Impairment of financial assets**

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

a) Financial assets at amortised cost

b) 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 entity reverts to recognising impairment loss allowance based on 12-month ECL.

II. **Financial liabilities**

A. **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.

B. **Subsequent measurement**

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

a) **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 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 P&L. 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.

b) **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 or through the EIR amortisation process.

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.

This category generally applies to borrowings.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

c) **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.

d) **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.

III. **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 though 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.

IV. **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.

V. **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.

2.7. Provisions, Contingent Liabilities, Contingent Assets and Commitments
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

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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.

2.8. Fair value measurement

"The Company measures financial instruments at fair value at each balance sheet date.

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:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability."

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.

2.9. 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 and duties collected on behalf of the Government.

Revenue from operations includes revenue for use of infrastructure facilities and energy revenue for the provision of energy for operation sites. Revenue for use of infrastructure (which is termed as "Revenue from Telecom / Network Infrastructure Facilities") and revenue from Energy and Other Re-imbursements is recognized as and when services are rendered, on a monthly basis as per the contractual terms under agreements entered with customers. The Company has ascertained that the revenue for use of infrastructure facilities is structured to increase in line with expected inflationary increase in cost of the Company and hence, not straight-lined.

Interest income

Interest Income from financial assets is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Income from dividends is recognised when the Company's right to receive the dividend has been established.

2.10. Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

i. **Company as a lessee**
Operating lease:
Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis 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.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

ii. **Company as a lessor**
Operating lease:
Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected increase in inflationary cost; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

2.11. 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 Profit and Loss Statement 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.

2.12. Foreign currency transactions

Transactions in foreign currencies are 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 profit or loss with the exception of the following:

Foreign exchange differences arising on translation of liabilities assumed before April 01, 2016 which are considered as long-term foreign currency monetary items are capitalised, if related to acquisition of fixed assets, or transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term Foreign Currency Monetary items but not beyond March 31, 2020.

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 transactions.

2.13. Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. 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.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.14. Taxes

Tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

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. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

2.15. 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.

2.16. Current and Non Current Classification

"The Company presents assets and liabilities in statement of financial position 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 is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) 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:

a) Expected to be settled in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Due to be settled within twelve months after the reporting period, or

d) 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."

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

2(B) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) **Depreciation and useful lives of property plant and equipment**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

b) **Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of trade receivables and determining whether a provision against those receivables is required. Factors considered in assessing the recoverability of trade receivables include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

c) **Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take in the future years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

d) **Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits 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.

g) **Fair value measurement of financial instruments**

When the fair value 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 Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible,

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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.

h) **Taxes**
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 income together with future tax planning strategies. The Company does not expect availability of future taxable income sufficient to utilise its deferred tax assets. Further details on taxes are disclosed in note 46.

i) **Asset retirement obligations**
The Company has recognised a provision for asset retirement obligations associated with telecommunication towers. Such Provision is recognised in respect of dismantling of infrastructure equipment and restoration of sites under operating leases, the costs for which are expected to be incurred at the end of the lease term, based on the estimate provided by the internal technical experts. In determining the fair value of such provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

The Company estimates that the costs would be incurred at the end of the lease term and calculates the provision using the DCF method based on the discount rate that approximates interest rate of risk free borrowings and current estimate of asset retirement obligation duly adjusted for expected inflationary increase in related costs.

NOTE-3
(a) Property , Plant and Equipment (PPE)

(₹ in Lakhs)

Particular	Tangible Assets						Total
	Land	Buildings	Plant and Equipments	Office Equipments	Furniture & Fixtures	Vehicles	
DEEMED COST							
As at April 1,2015	599	20,139	3,22,273	29	-	33	3,43,073
Additions	1	1	10,682	4	-	-	10,688
Disposals/ Adjustments	-	303	3,407	-	-	4	3,714
As at March 31, 2016	**600**	**19,837**	**3,29,548**	**33**	**-**	**29**	**3,50,047**
Additions	6	-	13,379	13	29	20	13,446
Disposals/ Adjustments	-	1	3,256	-	-	4	3,261
As at March 31, 2017	**606**	**19,836**	**3,39,671**	**46**	**29**	**45**	**3,60,232**
DEPRECIATION / AMORTISATION							
As at April 1,2015	-	-	-	-	-	-	-
Depreciation for the Year	-	2,603	22,480	18	-	8	25,109
Disposals/ Adjustments	-	71	1,027	-	-	-	1,098
As at March 31, 2016	**-**	**2,532**	**21,453**	**18**	**-**	**8**	**24,011**
Depreciation for the Year	-	2,583	21,270	12	2	8	23,875
Disposals/ Adjustments		1	1,462	-	-	-	1,463
As at March 31, 2017	**-**	**5,114**	**41,261**	**30**	**2**	**16**	**46,423**
NET BOOK VALUE							
As at April 1,2015	**599**	**20,139**	**3,22,273**	**29**	**-**	**33**	**3,43,073**
As at March 31, 2016	**600**	**17,305**	**3,08,095**	**15**	**-**	**21**	**3,26,036**
As at March 31, 2017	**606**	**14,722**	**2,98,409**	**16**	**27**	**29**	**3,13,809**

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3.1 Buildings include properties having carrying value of ₹ 572 Lakhs (March 31, 2016 ₹ 583 Lakhs ; April 1, 2015 ₹ 734 Lakhs) for which deeds of conveyance have yet to be executed in favour of the Company and ₹ 0.07 Lakhs towards cost of 70 shares of ₹100 each in a Co-operative Housing Society.

3.2 Buildings include of ₹ 10,407 Lakhs (March 31, 2016 ₹ 12,904 Lakhs ; April 1, 2015 ₹ 15,473 Lakhs) towards Land related properties and Boundary Wall at Sites.

3.3 Additions to Plant & Equipments includes Net Foreign Exchange Difference of ₹ (403 Lakhs) (March 31, 2016 ₹ 623 Lakhs ; April 1, 2015 ₹ (1,378 Lakhs) Capitalised during the year.

3.4 In accordance with Ind AS 36 on "Impairment of Assets" as notified by the Companies (Indian Accounting Standards) Rules 2015 , The Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating units in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on PPE during the year ended March 31, 2017.

3.5 Property, Plant and Equipment (PPE) includes assets mortgaged as security (Refer Note No. 18.1)

3.6 The carrying value (Gross Block less accumulated depreciation) as on 1st April, 2015 of the Property, Plant and Equipment is considered as a deemed cost on the date of transition.

(b) Capital work-in-progress

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Capital Work-in-Progress	4,332	4,566	5,399

3.7 During the year the Company has disposed off CWIP of ₹ 1,242 Lakhs for ₹ 1,076 Lakhs (March 31, 2016 ₹ 681 Lakhs for ₹ 634 Lakhs ; April 1, 2015 ₹ 1,435 Lakhs for ₹ 959 Lakhs)

3.8 Capital Work-in-Progress includes:
Capital Goods of Inventory amounting to ₹ 4,332 Lakhs (March 31, 2016 ₹ 4,566 Lakhs ; April 1, 2015 ₹ 5,399 Lakhs)

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(c) Intangible Assets*

(₹ in Lakhs)

Particulars	Intangible Assets* Software Licenses
DEEMED COST	
As at April 1,2015	99
Additions	5
Disposals/ Adjustments	-
As at March 31, 2016	**104**
Additions	17
Disposals/ Adjustments	-
As at March 31, 2017	**121**
DEPRECIATION / AMORTISATION	
As at April 1,2015	-
Depreciation for the Year	56
Disposals/ Adjustments	-
As at March 31, 2016	**56**
Depreciation for the Year	38
Disposals/ Adjustments	-
As at March 31, 2017	**94**
NET BOOK VALUE	
As at April 1,2015	99
As at March 31, 2016	48
As at March 31, 2017	27

* Other than Internally generated

NOTE - 4 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Long-term, Trade)

(₹ in Lakhs)

Particulars	Number As At March 31, 2017	Number As At March 31, 2016	Number As At April 1, 2015	Face Value (₹)	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Unquoted							
Investment in Subsidiary (Carried at Cost)							
Investment in Corpus of Tower Trust					1,81,572	1,81,572	1,81,572
(A Beneficiary Trust)							
(Refer Note 4.1)							
Investment in Associate (Carried at Cost)							
Deemed Investment in Chennai Network Infrastructure Limited					8,110	8,110	8,110
(Refer Note 4.2)							
Others							
In Equity Shares Others - Fully Paid up							
(Carried at Fair Value through Profit & Loss)							
Global Rural NETCO Ltd.	3,32,50,000	3,32,50,000	3,32,50,000	10.00	-	-	542
Total					**1,89,682**	**1,89,682**	**1,90,224**
Aggregate Amount of Unquoted Investments					1,89,682	1,89,682	1,90,224

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

4.1 "The Company is the sole beneficiary in the Tower Trust and has contributed ₹ 1,81,572 Lakhs towards the Corpus of the said Trust. The Trust has invested the aforesaid amount in an Associate "Chennai Network Infrastructure Ltd." (CNIL) a special purpose vehicle (SPV) and holds 1,81,57,22,400 Equity Shares of ₹ 10 each (Previous year 1,81,57,22,400) representing 27.53% (Previous Year 27.53%) of total issued and paid up Equity Share Capital of CNIL as on March 31,2017. Although CNIL has incurred cash losses and its net worth has been substantially eroded, as per the management, the Company's equity interest in the Associate based on its business plans as on March 31, 2017 support the carrying value of such investment. The Company considers its above investment as strategic and long term in nature. Management believes, decline in the value of its long term investment in Associate is of temporary in nature and hence no provision for diminution in value of the above investment is considered necessary."

4.2 The fair values of the Company's financial guarantee obligations are determined by using DCF method using Rate of commission at which guarantees would have been issued for unrelated parties and Incremental Borrowing Rate.

NOTE - 5 LOANS

(unsecured, considered good)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Deposit Given	3,763	3,227	2,862
Total	**3,763**	**3,227**	**2,862**

NOTE - 6 OTHER NON-CURRENT ASSETS

(unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Capital advances			
- Considered good	5,202	1,830	15,947
- Considered Doubtful	-	36,988	26,875
	5,202	38,818	42,822
Less: Provision for doubtful advances	-	36,988	26,875
	5,202	1,830	15,947
Prepaid Expenses	147	197	218
Other Advance*	601	522	490
Total	**5,950**	**2,549**	**16,655**

* Includes amount paid under protest & refund receivable from Sales Tax Authorities.

NOTE - 7 INVENTORIES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Stores, Spares and Consumables	34	46	61
Total	**34**	**46**	**61**

Refer Note No. 2.4 for basis of valuation

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 8 CURRENT FINANCIAL ASSETS - INVESTMENTS
(Other then Trade)

(₹ in Lakhs)

Particulars	Number			Face Value (₹)			
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015		As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Investment (Carried at Fair Value through Profit & Loss)							
Unquoted							
In Unit of Mutual Funds							
Axis Liquid Fund - Direct Growth	58	7,188	-	1,000	1	121	-
DWS Insta Cash Plus Fund - Direct Plan - Growth	-	-	78,986	100	-	-	144
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	42,938	100	-	-	83
IDBI Liquid Fund - Direct Plan - Growth	-	-	74,490	1,000	-	-	1,117
JP Morgan India Liquid Fund - Direct Plan - Growth	-	-	66,97,407	10	-	-	1,216
Peerless Liquid Fund - Direct Plan Growth	-	-	71,900	1,000	-	-	1,105
SBI Premier Liquid Fund - Direct Plan - Growth	14,688	19,214	9,346	1,000	375	457	206
Union KBC Liquid Fund Growth - Direct Plan	13,686	27,436	1,79,186	1,000	222	416	2,512
Total					**598**	**994**	**6,383**
Aggregate Amount of Unquoted Investments					**598**	994	6,383

NOTE - 9 TRADE RECEIVABLES
(Unsecured, subject to confirmation and Considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
Trade Receivables						
- Considered good	6,475		8,524		15,160	
- Considered Doubtful	4,661		13,286		8,205	
	11,136		21,810		23,365	
Less: Provision for doubtful receivables	4,661		13,286		8,205	
		6,475		8,524		15,160
Total		**6,475**		**8,524**		**15,160**

NOTE - 10 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
Cash and cash equivalents						
Balances with Banks:						
- in current accounts	3,773		4,409		3,352	
- cheques in hand	-		209		96	
Cash on hand	4		6		17	
		3,777		4,624		3,465
Total		**3,777**		**4,624**		**3,465**

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 10.1 Detail of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is as under:

(₹ in Lakhs)

Particulars	SBN	Other Denomination Notes	Grand Total
Closing cash in hand as on 08.11.2016	9	8	17
(+) Permitted receipts	-	12	12
(-) Permitted payments	-	17	17
(-) Amount deposited in Banks	9	-	9
Closing cash in hand as on 30.12.2016	-	3	3

NOTE - 11 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
- Pledged as Margin Money	150	137	127
- Others	95	91	83
	245	228	210
Total	**245**	**228**	**210**

Includes ₹ 1 Lakhs (March 31, 2016 ₹ 3 Lakhs ; April 1, 2015 ₹ 2 Lakhs) having maturity period of more than 12 months.

NOTE - 12 LOANS
(Unsecured and Considered good)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Loans and advances to related parties (Refer Note - 42)*	1,287	3,894	755
Deposits	454	489	538
Total	**1,741**	**4,383**	**1,293**

* Above Loan has been given for business purpose.

NOTE - 13 OTHER FINANCIAL ASSETS
(Unsecured and Considered good)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Unbilled Income	5,839	3,891	3,717
Interest Receivable	5	4	4
Total	**5,844**	**3,895**	**3,721**

NOTE - 14 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Advance income-tax (net of provision for taxation)	5,500	4,569	3,274
Total	**5,500**	**4,569**	**3,274**

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 15 OTHER CURRENT ASSETS
(Unsecured, Considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Cenvat / Service Tax input credit entitlements	430	398	7,576
Prepaid expenses	353	372	302
Other Advances *			
- Considered good	1,864	6,936	1,979
- Considered Doubtful	7	7	7
	1,871	6,943	1,986
Less: Provision for doubtful advances	7	7	7
	1,864	6,936	1,979
Total	**2,647**	**7,706**	**9,857**

* Mainly relating to advances to suppliers, employees etc.

NOTE - 16 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
AUTHORISED			
6,00,00,00,000; (4,50,00,00,000); (4,50,00,00,000) Equity Shares of ₹ 10 each	6,00,000	4,50,000	4,50,000
10,00,00,000; (5,00,00,000); (5,00,00,000) Preference Shares of ₹100 each	1,00,000	50,000	50,000
	7,00,000	**5,00,000**	**5,00,000**
ISSUED, SUBSCRIBED AND FULLY PAID-UP			
2,46,00,83,350; (2,33,63,88,793); (2,32,51,47,780) Equity Shares of ₹ 10 each fully paid-up	2,46,008	2,33,639	2,32,515
Total	**2,46,008**	**2,33,639**	**2,32,515**

NOTE - 16.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	₹ in Lakhs	Number	₹ in Lakhs	Number	₹ in Lakhs
Equity Shares at the beginning of the Year	2,33,63,88,793	2,33,639	2,32,51,47,780	2,32,515	2,32,51,47,780	2,32,515
Issued during the Year						
- On conversion of Foreign Currency Convertible Bonds (Refer Note - 18.4)	12,36,94,557	12,369	1,12,41,013	1,124		
Equity Shares at the end of the Year	**2,46,00,83,350**	**2,46,008**	**2,33,63,88,793**	**2,33,639**	**2,32,51,47,780**	**2,32,515**

16.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.3 Shares reserved for issue under options :

The Foreign Currency Convertible Bonds (FCCB) holders have the option to convert FCCB into 1,18,10,71,464 Equity Shares (March 31, 2016 1,30,47,66,024 ; April 1, 2015 1,31,60,07,039) (Refer Note No. 18.3)

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 16.4 Details of shareholders holding more than 5% shares in the Company

Name of share holders	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number of Shares held	% holding in Share Capital	Number of Shares held	% holding in Share Capital	Number of Shares held	% holding in Share Capital
GTL Limited	34,57,63,466	14.05%	34,57,63,466	14.80%	34,57,63,466	14.87%
Global Holding Corporation Private Limited	28,30,62,609	11.51%	28,30,62,609	12.12%	28,30,62,609	12.17%
Indian Overseas Bank	16,19,76,510	6.58%	16,19,76,510	6.93%	16,19,76,510	6.97%
ELM Park Fund Limited	17,99,71,057	7.32%	17,99,71,057	7.70%	17,99,71,057	7.74%
Union Bank Of India	*	*	12,10,34,706	5.18%	12,10,34,706	5.21%

* Holding less than 5% as on March 31, 2017

NOTE - 17 OTHER EQUITY

(₹ in Lakhs)

Particulars	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
Reconstruction Reserve		1,993		1,993		1,993
Balance as per last Balance Sheet						
Capital Reserve		1,846		1,846		1,846
Balance as per last Balance Sheet						
Securities premium account						
Opening Balance		60,667		60,667		60,667
Equity Component of Compound Financial Instruments						
Opening Balance	25,481		26,605		26,605	
Less : Transfer to Share Capital on conversion of FCCB	12,369		1,124		-	
		13,112		**25,481**		**26,605**
Foreign Currency Monetary Item Translation Difference Account						
Opening Balance	(8,151)		(9,100)		(9,100)	
Less : Amortisation of exchange difference to Statement of Profit & Loss	(5,455)		(949)		-	
		(2,696)		(8,151)		(9,100)
Surplus/ (Deficit) in the Statement of Profit & Loss						
Opening Balance	(2,96,387)		(2,35,808)		(2,35,808)	
Add: Loss for the Year	(30,256)		(60,579)		-	
		(3,26,643)		(2,96,387)		(2,35,808)
Total		**(2,51,721)**		**(2,14,551)**		**(1,53,797**

Nature and purpose of Reserves

17.1 Reconstruction Reserve

Created pursuant to scheme of arrangement approved by Hon'ble High Court in earlier years. It shall be utilised as per provisions of Companies Act 2013.

17.2 Capital Reserve

Created On Forfeiture of Preferential Convertible Warrants. It shall be utilised as per provisions of Companies Act 2013.

17.3 Securities premium account

Created on conversion of Employee Stock Options Scheme , Preferential Warrants and Foreign currency convertible Bonds. It shall be utilised as per provisions of Companies Act 2013.

17.4 Equity Component of Compound Financial Instruments

Series A Bonds of USD 111,740,000 are compulsorily convertible into equity shares. As these Bonds are compulsorily Convertible, they are considered as other Equity as per IND (AS) 109 and disclosed as "Equity Component of Compound Financial Instruments". It will be transfer to Share Capital as per the terms of Series A bonds.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

17.5 Foreign Currency Monetary Item Translation Difference Account

Unamortised part of Exchange difference on account of re-instatement of Series B Bonds

NOTE - 18 BORROWINGS

(₹ in Lakhs)

Particulars	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
Secured Loans						
Rupee Term Loans from						
- Banks	2,96,356		3,13,136		3,28,819	
- Financial Institution	7,892		7,914		8,216	
	3,04,248		**3,21,050**		**3,37,035**	
Foreign Currency Term Loan from						
- Financial Institution	3,100		4,457		5,046	
		3,07,348		**3,25,507**		**3,42,081**
Unsecured Loans						
- Foreign Currency Convertible Bonds (Refer Note - 18.3)		-		1,46,089		1,35,692
Total		**3,07,348**		**4,71,596**		**4,77,773**

18.1 (A) Rupee Term Loans from Banks & Financial Institutions are secured by way of

(i) Mortgage by first pari-passu charge on all immovable assets, both present and future and on all movable assets, both present and future, including first floating charge on all the current assets of the Company.

(ii) Sponsor support from Global Holding Corporation Private Limited (GHC) and guarantee of Mr. Manoj Tirodkar (Promoter) towards debt servicing of CDR Lenders and personal guarantee aggregating to ₹ 60,104 Lakhs by Mr. Manoj Tirodkar

(B) Foreign Currency Term Loan from Financial Institutions is secured by way of

Mortgage by first pari-passu charge on all immovable assets, both present and future and on all movable assets, both present and future, including first floating charge on all the current assets of the Company.

18.2 Terms of Repayment

(i) Rupee Term Loans from Banks and Financial Institutions and Current Maturities of Long-term borrowings having an effective yield of 10.75% over the tenure of the facility aggregating to ₹ 2,99,864 Lakhs are repayable in 37 structured quarterly instalments ending on June 30, 2026

The Maturity Profile of these loans is as set below:

The Maturity Profile of these loans is as set below:

2017-18	**2018-19**	**2019-20**	**2020-21**
₹ 18,291 Lakhs	₹ 21,340 Lakhs	₹ 24,389 Lakhs	₹ 27,437 Lakhs
2021-22	**2022-23**	**2023-24**	**2024-25**
₹ 33,534 Lakhs	₹ 38,107 Lakhs	₹ 38,107 Lakhs	₹ 38,107 Lakhs
2025-26	**2026-27**		
₹ 39,631 Lakhs	₹ 11,868 Lakhs		

(ii) Rupee Term Loans from Banks having an Interest rate of 8% p.a aggregating to ₹ 21,087 Lakhs are repayable only after the Final Settlement date of all other restructured Loans, i.e., June 30, 2026.

(iii) The Foreign Currency Term Loan and Current Maturities of Long term borrowings relating to Foreign Currency Term Loan are repayable in 24 equated quarterly instalments of Euro 4 Lakhs starting from June 15 , 2013 and ending on March15 , 2021. The loan carries Interest rate of 3 months Euribor+200 bps.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

18.3 Foreign Currency Convertible Bonds (FCCBs) :

(i) In terms of Offering Circular dated October 17, 2012 ("Offering Circular"), on November 8, 2012 outstanding Foreign Currency Convertible Bonds (FCCBs) of USD 228,300,000 together with premium of USD 90,986,000 on them aggregating to USD 319,286,000 were restructured by way of cashless exchange with 111,740 Zero Coupon Compulsorily Convertible Bonds due 2017 (Series A) and 207,546 Interest Bearing Convertible Bonds due 2017 (Series B) of USD 1,000 each.

(ii) Series A and Series B Bondholders have an option to convert these bonds into equity shares at a fixed exchange ratio of 1 USD=₹ 54.252 at any time upto the Close of Business on November 2, 2017 ("Maturity Date") except during the 'closed period' as defined in the 'Offering Circular'.

(iii) Series A Bonds of USD 111,740,000 are compulsorily convertible into equity shares. Each Series A bond is convertible into 5425.20 fully paid up equity shares of ₹ 10 each. As on March 31, 2017, 24,168 Series A Bonds were outstanding. As these Bonds are compulsorily Convertible, they are considered as other Equity as per IND (AS) 109 and disclosed as "Equity Component of Compound Financial Instruments" (Refer Note No. 17).

(iv) The Series B Bonds of USD 207,546,000 are interest bearing optionally convertible bonds. Each bond carries an Interest at the rate of 0.5335% p.a. payable semi annually on the outstanding principal plus the margin for period under consideration with effect from November 8, 2013 as defined in Offering Circular. The Conversion Price shall be determined in terms of 'Offering Circular'. As on date, applicable Conversion Price for each Bond is ₹ 10 per equity share, accordingly Series B Bondholder have an option to convert each bond into 5,425.20 fully paid up equity shares of ₹ 10 each. As on March 31, 2017, 1,93,533 Series B Bonds were outstanding.

(v) Unless previously converted, redeemed, repurchased or cancelled, the Company will redeem each Series B Bond at 114.5047% of its principal amount on the maturity date i.e November 9, 2017.

18.4 The details of overdue Principal and interest payable as at March 31, 2017 is as follows:

(₹ in Lakhs)

Particulars	Total Overdue	Ageing		
		0-30 Days	31-60 Days	> 60 Days
Principal Payable on Term Loan from Banks & Financial Institution*	18,614	4,407	-	14,207
Interest Payable on Term Loan from Banks & Financial Institution**	14,542	2,909	5,222	6,412

* Included in Current Maturities of Long-Term Borrowings (Refer Note - 23)

** Shown as Interest accrued and due on Borrowings (Refer Note - 23)

18.5 The Board of Directors of the Company ("Board') had, in its meeting held on September 19, 2016, recommended the invocation and implementation of the Strategic Debt Restructuring Scheme ("SDR Scheme") for the Company. The CDR lenders of the Company, at a meeting of the Joint Lender Forum ("JLF") held on September 20, 2016, have also unanimously agreed to invoke the SDR Scheme for the Company having September 20, 2016 as the 'review and reference date'. Accordingly, "Stand Still" clause is applicable for asset classification. Pending final approval of SDR, the Company continues to account for interest obligation for various credit facilities as per the terms of CDR. (Refer Note No. 51)

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 19 OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Deposits from customers	2,427	1,936	1,848
Total	**2,427**	**1,936**	**1,848**

NOTE - 20 PROVISIONS

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Provision for compensated absences	115	137	114
Asset Retirement Obligation	4,735	4,464	4,203
Total	**4,850**	**4,601**	**4,317**

(Refer Note No. 52)

NOTE - 21 OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Advance Revenue	1,297	1,238	804
Financial Guarantee Obligation	4,460	5,001	5,541
Total	**5,757**	6,239	**6,345**

NOTE - 22 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Micro,Small & Medium Enterprises	18	35	12
Others	4,054	1,825	2,958
Total	**4,072**	1,860	2,970

NOTE - 22.1 DETAILS OF DUES TO MICRO, SMALL & MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT,2006

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
(i) Principal amount remaining unpaid	18	35	12
(ii) Interest due thereon (₹ 1,615 As at April 1, 2015)	NIL	NIL	0
(iii) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006* (₹ 2,632 As at April 1, 2015)	NIL	4	0
(iv) Interest due and payable for the period of delay in payment (₹ 2,932 As at April 1, 2015)	NIL	4	0
(v) Interest accrued and remaining unpaid (₹ 300 As at April 1, 2015)	NIL	NIL	0
(vi) Interest remaining due and payable even in succeeding years	NIL	NIL	NIL

* Interest waived by the parties is not considered for the purpose of above disclosure.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 23 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars		As At March 31, 2017		As At March 31, 2016		As At April 1, 2015
Current maturities of long-term borrowings (Refer Note - 18.4)						
- Rupee Term Loans from Banks and Financial Institutions	35,860		20,251		11,824	
- Foreign Currency Convertible Bonds (Refer Note - 18.3)	1,44,169		-		-	
- Foreign Currency Term Loans from Financial Institutions	2,091		1,688		1,020	
		1,82,120		21,939		12,844
Interest accrued and due on long-term borrowings (Refer Note - 18.4)		14,542		9,805		318
Interest accrued but not due on borrowings		2,519		2,820		2,218
Deposits from customers		3,961		3,470		3,239
Creditors for Capital goods		1,601		2,906		957
Other Payable*		10,003		12,555		7,975
Total		**2,14,746**		**53,495**		**27,551**

* Mainly includes Provision towards salary, restructuring and other expenses payable.

NOTE - 24 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Unearned revenue	637	411	393
Income received in advance	8,564	-	-
Advance Revenue	319	256	232
Advance received from customer	572	437	591
Financial Guarantee Obligation	541	541	541
Statutory dues	270	575	421
Total	**10,903**	**2,220**	**2,178**

NOTE - 25 PROVISIONS

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Provision for compensated absences	10	19	11
Asset Retirement Obligation	24	23	25
Total	**34**	**42**	**36**

(Refer Note No. 52)

NOTE - 26 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from Telecom/Network Infrastructure Facilities	63,293	62,169
Energy and Other Re-imbursements	31,918	29,057
Equipment Provisioning	-	52
Total	**95,211**	91,278

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 27 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Gain on financial instruments measured at fair value through Profit & Loss A/c (Net)	109	272
Profit on Sale of PPE (net of Loss on sale/discard of PPE)	-	268
Interest Income	786	631
Guarantee Commission	541	541
Miscellaneous Income	56	53
Total	**1,492**	**1,765**

NOTE - 28 INFRASTRUCTURE OPERATION & MAINTENANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Site Rentals	8,667	8,453
Power, Fuel and Maintenance Charges	32,947	33,111
Repairs and Maintenance to Plant and Equipments	1,248	1,202
Stores & Spares consumption	24	57
Other Operating Expenditure	2,630	3,238
Total	**45,516**	**46,061**

NOTE - 29 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Allowances	1,833	3,049
Contribution to Provident Fund, Gratuity fund and Other Funds	313	283
Employee Welfare and other amenities	41	35
Total	**2,187**	**3,367**

29.1 Salaries and Allowances include remuneration paid to Whole Time Director of ₹ 50 Lakhs (previous year ₹ 50 Lakhs) which is subject to approval of Central Government.

29.2 Employee Benefits:

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures as defined in the IND AS are given below:

Defined Contribution Plans

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Employer's Contribution to Provident fund	193	165
Employer's Contribution to Pension fund	59	58
Total	**252**	**223**

The Contribution to Provident Fund and Pension Fund is made to employees Provident Fund and Pension Fund managed by Provident Fund Commissioner.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Defined Benefit Plans

The employee's Gratuity Fund Scheme, which is a defined benefit plan, is managed by the 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 recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognised in same manner as gratuity.

a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	As At March 31, 2017	As At March 31, 2016
Defined Benefit Obligation at beginning of the Year	474	391
Current Service Cost	53	46
Current Interest Cost	38	31
Actuarial (Gain) / Loss	47	47
Benefits paid	(57)	(41)
Defined Benefit Obligation at the end of the Year	555	474

b. Reconciliation of opening & closing balances of fair value of plan assets

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	As At March 31, 2017	As At March 31, 2016
Fair Value of Plan Asset at beginning of the Year	587	415
Interest Income	47	33
Expected Return on Plan Assets	3	8
Contributions	82	73
Fund Transferred In	27	100
Fund Transferred out	(3)	(2)
Benefits paid	(57)	(41)
Fair Value of Plan Asset at the end of the Year	687	587

c. Net Liability/(Assets) recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	As At March 31, 2017	As At March 31, 2016
Fair Value of Plan Asset at the end of the Year	687	587
Present Value of Defined Benefit Obligation at end of the Year	555	475
Liability/ (Asset) recognised in the Balance Sheet	(131)	(112)

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

d. Expenses Recognised During the year

(₹ in Lakhs)

Particulars	Gratuity (Funded) For the year ended March 31, 2017	Gratuity (Funded) For the year ended March 31, 2016
In Income Statement		
Current Service Cost	53	46
Net Interest Cost	(9)	(2)
Net Cost	44	44
In Other Comprehensive Income (OCI)		
Actuarial (Gain)/ Loss	47	47
Return on plan assets	(3)	(8)
Net (Income)/Expenses for the period recognised in OCI	44	**39**

e. Assumptions used to determine the defined benefit obligation

(₹ in Lakhs)

Particulars	Gratuity (Funded) For the year ended March 31, 2017	Gratuity (Funded) For the year ended March 31, 2016
Mortality Table	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate
Discount Rate(p.a.)	7.29%	8.04%
Estimated rate of return on Plan Assets(p.a.)	7.29%	8.04%
Expected rate of increase in salary(p.a.)	5.00%	5.00%

The estimates of rate of increase in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return of Plan Assets is determined considering several applicable factors. Mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

f. The major categories of plan assets and the fair value of the total plan assets are as follows:

(₹ in Lakhs)

Particulars	Gratuity (Funded) For the year ended March 31, 2017	Gratuity (Funded) For the year ended March 31, 2016
Insuranse Fund	687	587

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

g. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in Lakhs)

Particulars	Gratuity Fund			
	For the year ended March 31, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2016
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Assumptions				
Impact of Rate of discounting	(48)	55	(39)	45
Impact of Rate of salary increase	56	(49)	46	(40)
Impact of Rate of Employee Turnover	9	(10)	10	(11)

h. Expected Contribution towards defined benefit plan in future years

(₹ in Lakhs)

Maturity Analysis of Projected benefit Obligation :From the Fund	Gratuity Fund	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Within 1 year	29	35
1-2 year	21	26
2-3 year	34	21
3-4 year	39	32
4-5 year	61	42
5-10 years	**192**	**217**

Maturity Analysis of Projected Defined Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.

NOTE - 30 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest	45,766	46,798
Other Borrowing Costs	104	97
Total	**45,870**	**46,895**

NOTE - 31 BAD DEBTS AND PROVISION FOR TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016
Balances Written Off (Net)	48,588		5,160
Less: Provision for Doubtful Debts/Advances Written Back	(48,586)		(4,954)
		2	
Provision for Trade Receivables and Energy Recoverables		2,145	8,860
Total		**2,147**	**9,066**

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 32 EXCHANGE DIFFERENCES (NET)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Exchange differences (net)	2,227	8,888
Total	**2,227**	**8,888**

NOTE - 33 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended, March 31, 2017	For the Year ended, March 31, 2016
Rent	505	508
Property Tax Including Rates and Taxes - Others	374	199
Electricity	68	65
Repairs and Maintenance		
- Office Building	1	1
- Office Equipments	27	32
- Others	10	20
Insurance Premium	120	92
Communication Cost	63	74
Travel and Conveyance	546	369
Legal and Professional Charges	1,009	1,031
SDR, Merger and Other related Expenses	236	-
Payment to Auditors	67	67
Office Expenses	302	270
Printing and Stationery	47	37
Corporate Branding & Promotions	189	361
Directors' Sitting Fees	128	37
Loss on Sale (net of profit) of PPE	986	-
Miscellaneous Expenses	377	322
Total	**5,055**	**3,485**

33.1 Payment to Auditors includes:

(₹ in Lakhs)

Particulars	For the Year ended March 31,	For the Year ended March 31,
Audit Fees	30	30
Tax Audit Fees	12	12
Certification Fees	25	25
Total	**67**	**67**

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 34 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	FY 2016-17	FY 2015-16
The telecom scenario in the Country changed drastically since the beginning of year 2012 due to cancellation of 122 2G licenses by the Hon'ble Supreme Court, slower 2G & 3G growths, failure of spectrum auctions and general economic slowdown. During his time, the Company which was mandated to support the planned deployment of 20,000+ tenancies of Aircel/ CNIL could not do so since Aircel was unable to honour its commitment. In the meanwhile, the Company had already placed orders on various vendors to procure tower assets and made advances against those orders. Consequently, the Company had to short close its commitment to vendors and has already taken appropriate steps against them for recovery of these advances. However, as a matter of prudence, provision for doubtful advances was considered.	-	10,113
Loss recognised on fair valuation of Non-Current investment in Equity Shares of Global Rural NETCO Limited.	-	542
Total	**-**	**10,655**

NOTE - 35 OPERATING LEASE COMMITMENT

Company as a lessor

The Company has entered into operating lease arrangement with its customers for Infrastructure provisioning. Future Minimum lease payments receivable under non cancellable operating lease are as follows

(₹ in Lakhs)

Period	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Within one year	43,703	40,018	43,411
After one year but not later than five years	141,539	130,768	138,840
Later than five years	120,943	105,254	126,454

Company as a lessee

The Company has entered into operating lease arrangement with Landlords for its Site Locations. Future Minimum lease payments under operating lease are as follows

(₹ in Lakhs)

Period	March 31, 2017	March 31, 2016	April 1, 2015
Within one year	7,675	8,575	8,388
After one year but not later than five years	15,473	22,132	28,396
Later than five years	4,180	5,196	7,507

NOTE - 36 CONTINGENT LIABILITIES AND COMMITMENTS

a. **Contingent liability not provided for**

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Bank guarantees (provided under contractual and legal obligations)	195	217	218
Corporate Guarantee (Given to Banks & Financial Institutions for loan taken by erstwhile subsidiary company)	83,100	83,100	83,100
Claims against the Company not acknowledged as debts	4,584	1,294	1,606
Disputed liability in respect of indirect tax matters under appeal (Amount deposited ₹ 227 lakhs , ₹ 227 lakhs, ₹ 212 lakhs as of the end of respective years)	1,387	1,509	1,226

b) Certain Legal issues are outstanding against the Company mainly in relation to the alleged non-compliance policies of municipal corporations, cases pending for permanent injunctions, objections by the local residents, disputes with site owners, in respect of which the amounts cannot be quantified at this stage and therefore the Contingent Liability in respect of this could not be determined.

The Company does not expect any material financial effect of the above matters under litigation.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

c) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Capital Commitments	1,648	2,059	1,650

Cash flow is expected on execution of such contracts on progressive basis.

37. The management and authorities have the power to amend financial statements in accordance with section 130 and 131 of companies Act, 2013.

38. During the year 2008-09 the company had imported OFC (Optical Fiber Cable) on which the Custom department issued Show Cause Notice for the demand of Custom Duty of ₹. 93 Lakhs. The company deposited the whole amount under protest and subsequently the Commissioner granted the relief to the Company of ₹ 78 lakhs. As against the said order of the Commissioner, the Custom department has filed an appeal with the CESTAT, Mumbai on 11th Oct 2010. The Company feels there will not be any further liability on this account.

39. During earlier years, as legally advised, the Company's CENVAT credit aggregating to ₹ 7,993 Lakhs was utilised for discharging service tax liability of Chennai Network Infrastructure Limited, an Associate, which is in the process of merger with the Company. CNIL also paid the same to the Service Tax Authority under Voluntary Compliance Encouragement Scheme (VCES) in November, 2013. Subsequently, the Company filed a writ petition in High Court of judicature at Mumbai for seeking restoration of this cenvat credit and based on the Mumbai High court direction, CESTAT passed the order in March 2015 for allowing the Company to restore the said amount as Cenvat credit. The Service tax authorities have filed an appeal with the High court challenging the CESTAT order passed in March 2015. The company has been advised that there will not be any outflows in this regard.

40. The Hon'ble Supreme Court vide its order dated December 16, 2016 upheld that "Mobile Telecommunication Tower" is a building and the State can levy property tax as envisaged in entry 49 of the list II of the seventh schedule of the Constitution of India, while deciding the Special Leave Petition (SLP) filed by various Municipal Corporations and the State of Gujarat against the order of the Divisional Bench of Gujarat High Court. Another SLP filed by one of the customers of the Company against the Corporation (in which an associate company of the Company is also a party) for the similar matter is still pending before the Hon'ble Supreme Court and is expected to be heard shortly.

In respect of few sites where demand notices for property tax have been received, the Company has contested the demands in certain cases by filing writ petitions in appropriate Courts for the assessment of property tax demand / retrospective levy of property tax, it's procedure and quantum, that have been demanded for in respect of which the Hon'ble High Court passed an order not to take any coercive action till the admission of matter. In respect of majority of the sites, the Company has so far not received any such demand. Further, as per the Master Service Agreements / Arrangements executed with certain customers the property tax if any, paid by the Company is to be recovered from them.

In view of the pending matter before the Hon'ble Supreme Court and other courts, absence of any demand for majority of the towers and also the Company's right to recover the property tax amounts from certain customers, the Company is unable to quantify the amount of property tax, if any, to be borne by it and accordingly no provision for the same can be made at this stage and the same will be recognized as and when the matter is settled.

41. Scheme of Amalgamation

The Company continues to pursue the merger process of Chennai Network Infrastructure Limited (CNIL) with itself. The Joint Lenders Forum (JLF) along with the invocation of SDR has also resolved that the merger process currently being pursued by the Company be done simultaneously along with the SDR process. Further, the Board of Directors of the Company in its Meeting held on April 22, 2017 has considered and approved the Scheme of Amalgamation between CNIL and the Company having the appointed date as April 01, 2016, subject to necessary approvals from various statutory authorities and tribunal/court. Upon the Scheme becoming effective, 1 fully-paid Equity Share of ₹10 of the Company will be issued for every 1 fully-paid up Equity Share of CNIL and the Company's investment in CNIL through trust will stand cancelled.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

42. AS PER IND AS 24, THE DISCLOSURE OF TRANSACTIONS WITH THE RELATED PARTIES ARE GIVEN BELOW:

a) List of Related Parties and relationships

I) Subsidiary

Tower Trust

II) Associate

Chennai Network Infrastructure Limited

III) Key Management Personnel

Manoj G. Tirodkar, Chairman
Mr. Milind K. Naik, Whole Time Director
Mr. Laxmikant. Y. Desai, Chief Financial Officer

IV) Others

GTL Limited (GTL)
Global Holding Corporation Pvt Ltd

b) Transactions during the year with related parties

Transactions with Related Parties at Arms Length Price

(₹ in Lakhs)

I]	TRUST	For the Year ended March 31, 2017	For the Year Ended March 31, 2016
	Investment in Corpus	-	-
	Balance at the year end	31-Mar-17	31-Mar-16
	Investment in Corpus	1,81,572	1,81,572
II]	**ASSOCIATES**	**For the Year ended March 31, 2017**	**For the Year Ended March 31, 2016**
	Chennai Network Infrastructure Limited		
	Sale of Fixed Assets	42	67
	Purchase of Fixed Assets	90	20
	Reimbursement of expense from	8,489	8,346
	Interest Income	94	479
	Balance at the year end	**31-Mar-17**	**31-Mar-16**
	Loan and advances to related parties	1,287	3,894
	Corporate Guarantee#	83,100	83,100
III]	**KEY MANAGERIAL PERSONNEL**	**For the Year ended March 31, 2017**	**For the Year Ended March 31, 2016**
i)	Milind Naik, Whole Time Director*		
	Salaries & Allowances (Short term Employee benefits)	50	50
ii)	L.Y. Desai, CFO*		
	Salaries & Allowances (Short term Employee benefits)	207	128
iii)	Manoj Tirodkar, Chairman		
	Director Sitting Fees Paid	13	6

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

IV]	OTHERS	For the Year ended March 31, 2017	For the Year Ended March 31, 2016
	GTL Limited		
	Purchase of Fixed Assets	821	1,641
	Reimbursement of expenses from	737	72
	License fees for sharing premises from	39	43
	Energy Management Services	31,879	29,797
	Field Level Operations & Maintenance Charges	5,378	5,162
	Legal and Professional Charges	28	29
	Rent to	411	388
	Reimbursement of expenses to	9	102
	Balance at the year end	**31-Mar-17**	**31-Mar-16**
	Trade Payables	1,686	-
	Capex Creditors	802	1,877
	Loan and advances to related parties	-	191
	Other Payable	2,945	2,988
	Deposit given	216	216

given to the lenders of CNIL namely Corporation Bank & Central Bank of India for the financial facilities availed by that company.

* Note: As the Liability for gratuity and leave encashment are provided on actuarial basis for the company as a whole amounts accrued pertaining to Key managerial personnel are not included above.

Terms & Conditions:

The transactions with related parties are at arm's length price and in the ordinary course of business. All outstanding balances are unsecured and are repayable in cash except corporate guarantee.

NOTE - 43 EARNINGS PER SHARES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net Loss after tax attributable to Equity Share holders for Basic/Diluted EPS	(30,212)	(60,539)
Weighted average number of equity shares outstanding for Basic/Diluted EPS*	2,39,54,93,745	2,32,67,73,087
Basic & Diluted Earnings Per Share of ₹10 Each (₹)	**(1.26)**	(2.60)

*Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued to the FCCB holders multiplied by the time weighting factor.

The effect of Foreign Currency Convertible Bonds on the Earnings per Share is anti-dilutive and hence, the same is not considered for the purpose of calculation of dilutive Earning per Share.

44. The stagnant telecom industry has been, of late, witnessing several opportunities for growth. This turnaround was largely due to fresh tenancy rollouts due to new 2G /3G /4G /LTE spectrum auctioned in last couple of years. The recent entry of new incumbent operator has already started generating significant opportunities for business growth. The Company believes that it would be able to secure significant share in the incremental tenancies. As mentioned in note no. 51, subsequent to the year end, the Company's debt liability has been substantially reduced due to conversion of debt into equity share capital and the Company is also in the process of restructuring its FCCBs respectively. Besides, the continuing measures taken by the Company in terms of cost rationalization and renegotiation of MSAs have benefited the Company with improved cash flows, streamlined revenues and reduction of delays in collection cycle. In view of the above, the Company continues to prepare its financial statements on a going concern basis.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 45 Details of loans given, investment made and Guarantees given, covered U/S 186(4) of the Companies Act, 2013

- Details of Loans given are given in note no.12
- Investment made in Tower Trust is for strategic purpose (refer note no. 4)
- Corporate Guarantees have been issued on behalf of Associate company, details of which are given in related party transactions (refer note no. 42)

NOTE - 46 DEFERRED TAX

46.1 Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate:

Since the Company has incurred loss during the year 2016-17, previous year 2015-16 and 2014-15 and no tax is payable for these years as per provisions of Income Tax Act, 1961 and no deferred tax assets recognised, the calculation of effective tax rate is not relevant and hence, not given.

46.2 Deferred tax liabilities / (Assets) relates to the following:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Property, Plant and Equipment	39,737	38,699	36,009
Other Intangible Assets	8	15	31
Investments	0	6	27
Disallowance Under Section 43B of the Income Tax Act, 1961	(7,942)	(7,145)	(5,716)
Provision for doubtful debts	(1,440)	(4,105)	(2,535)
Unabsorbed Depreciation	(94,839)	(85,684)	(75,455)
Deferred Tax Assets (net)	**(64,476)**	**(58,214)**	**(47,639)**

The Company has net Deferred Tax Assets (DTA) as at March 31, 2017 which is not recognised in the financial statements in the absence of probable taxable profits against which the same can be utilised.

46.3 Amount and expiry date of unused tax losses for which no deferred tax asset is recognised:

(₹ in Lakhs)

	Unused tax Loss	Carried Forward Till AY
2013-14	30,265	2021-22
2014-15	25,840	2022-23
2015-16	1,652	2023-24
2016-17	17,569	2024-25
2017-18	52,333	2025-26
	1,27,659	

From last many years the Company is incurring losses and doesn't expect sufficient future taxable income in the near future against which the unused tax losses can be utilised, so the Company has not recognised the DTA for the same.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 47 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements

a) Financial Assets measured at fair value through profit or loss:-

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2016
Financial Assets :			
Investment in Equity Shares	-	-	542
Investment in units of Mutual Funds	598	994	6,383
Total	**598**	**994**	**6,925**

b) Financial Assets measured at amortised cost:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Security Deposit	4,218	4,211	3,716	3,741	3,400	3,420
Total	**4,218**	**4,211**	**3,716**	**3,741**	**3,400**	**3,420**

c) Financial Assets measured at amortised cost:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
- Borrowings						
Floating rate borrowings						
DEG Loan	5,191	5,191	6,145	6,145	6,066	6,066
Fixed rate borrowings						
CDR Loan	3,54,649	3,54,203	3,51,107	3,32,134	3,49,177	3,30,652
FCCB Series B	1,46,689	1,53,570	1,48,908	1,66,379	1,37,910	1,54,521
- Other Financial Liabilities						
Deposits from customer	6,389	6,417	5,406	5,551	5,087	4,977
Financial guarantee contracts	5,001	4,725	5,541	5,436	6,082	6,096
Total	**5,17,918**	**5,24,106**	5,17,108	5,15,645	5,04,323	5,02,312

d) The carrying amounts of the following financial assets and financial liabilities are a reasonable approximation of their fair values.

Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately

i) Financial Assets:
- Trade Receivables
- Cash and Cash equivalents
- Bank balances other than cash and cash equivalents
- Loans & advances to related parties

ii) Financial Liabilities:
- Trade Payables
- Other current liabilities

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

i) The fair value of investments in unlisted equity shares is determined using Net Asset Value (NAV) method.

ii) Fair Value of mutual fund are reported as per Net Asset Value

iii) The fair values of non-current loans/Borrowings and security deposits are calculated based on Discounted Cash Flows technique (DCF) using a current lending rate relevant to the instrument.

iv) The fair values of the Company's financial guarantee obligations are determined by using DCF method using Rate of commission at which guarantees would have been issued for unrelated parties and Incremental Borrowing Rate. Appropriate weightage has been assigned to discount factor for counterparty non-performance risk.

v) Fair value of trade receivable, cash and cash equivalents, other bank balances, trade payables, loans and other financial assets and liabilities are approximate to their carrying amounts largely due to the short-term maturities of these instruments.

vi) 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.

NOTE - 48 FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

Level 1:- Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.

Level 2:- Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3:- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

The following table provides the fair value measurement hierarchy of the Company's Assets and Liabilities

(₹ in Lakhs)

Particulars	March 31, 2017		
	Level 1	Level 2	Level 2
Financial Assets measured at fair value through profit or loss (Investments except equity investments in subsidiary and associates):			
-- Unqouted equity investments	-	-	-
-- Mutual funds	598	-	-
Financial Assets Measured at amortised cost:-			
-- Security Deposit	-	4,211	-
Total	**598**	**4,211**	**-**
Financial Liabilities Measured at amortised cost:-			
Floating rate borrowings			
-- FCCB Series B	-	1,53,570	-
-- DEG Loan	-	5,191	-
Fixed rate borrowings			
-- CDR Loan	-	3,54,203	-
Deposits from customer	-	6,417	-
Financial guarantee contracts	-	4,725	-
Total	**-**	**5,24,106**	**-**

(₹ in Lakhs)

Particulars	March 31, 2016		
	Level 1	Level 2	Level 2
Financial Assets measured at fair value through profit or loss (Investments except equity investments in subsidiary and associates):			
-- Unqouted equity investments	-	-	-
-- Mutual funds	994	-	-
Financial Assets Measured at amortised cost:-	-	3,741	-
-- Security Deposit			
Total	**994**	**3,741**	**-**
Financial Liabilities Measured at amortised cost:-			
Floating rate borrowings			
-- DEG Loan		6,145	
Fixed rate borrowings			
-- FCCB Series B	-	1,66,379	-
-- CDR Loan	-	3,32,134	-
Deposits from customer	-	5,551	-
Financial guarantee contracts	-	5,436	-
Total	**-**	**5,15,645**	**-**

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

Particulars	April 1, 2015		
	Level 1	Level 2	Level 2
Financial Assets measured at fair value through profit or loss (Investments except equity investments in subsidiary and associates):			
– Unquoted equity investments	-	-	542
– Mutual funds	6,383	-	-
Financial Assets Measured at amortised cost:-	-	3,420	-
– Security Deposit			
Total	**6,383**	**3,420**	**542**
Financial Liabilities Measured at amortised cost:-			
Floating rate borrowings			
– DEG Loan	-	6,066	-
Fixed rate borrowings			
– FCCB Series B	-	1,54,521	-
– CDR Loan	-	3,30,652	-
Deposits from customer	-	4,977	-
Financial guarantee contracts	-	6,096	-
Total	**-**	**5,02,312**	**-**

Description of the inputs used in the fair value measurement:

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2017, March 31, 2016 and April 1, 2015 respectively:

Particulars	Level 3	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial Assets measured at fair value through profit or loss (Investments except equity investments in subsidiary and associates):				
Unlisted equity investments	Valuation Technique	Book Value	Book Value	Book Value
	Inputs used	Financial statements	Financial statements	Financial statements
	Sensitivity	No material impact on fair valuation	No material impact on fair valuation	No material impact on fair valuation

Reconciliation of fair value measurement categorised within level 3 of the fair value hierarchy:-

Financial Assets measured at fair value through profit or loss - Investments except equity investments in subsidiary and associates

Particulars	₹ in Lakhs
Fair value as at April 1, 2015	542
Loss on financial instruments measured at fair value through profit or loss (net)	(542)
Fair value as at March 31, 2016	-
Gain/ (Loss) on financial instruments measured at fair value through profit or loss (net)	-
Fair value as at March 31, 2017	-

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 49 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings including Interest thereon, Trade payables, Capex Creditors, deposits from Customers and others Financial Liabilities. The main purpose of these financial liabilities is to finance the Company's operations, including Tower upgradation projects under implementation. The Company's principal financial assets include Investments, Deposits, loans and advances, receivables and cash and bank balances that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Audit Committee of the Board of Directors of the Company oversees the management of these risks. The focus of Risk Management is to assess risks, monitor, evaluate and deploy mitigation measures to manage these risks within risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets 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 Instrument affected by market risk includes loans and borrowings, deposits and derivative financial instruments.

As the revenues from company's tower business are dependent on the sustainability of Telecom sector, Company believes that macro-economic factors, including the growth of Indian economy, interest rates as well as political & economic environment, have a significant direct impact on company's business, results of operations & financial positions.

a) Interest Rate Exposure profile appended in the table below

(₹ in Lakhs)

Borrowings	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Floating Rate Loans	5,191	6,145	6,066
Fixed rate Loans	484,276	487,390	484,551
Total	**489,467**	**493,535**	**490,617**

b) Foreign Currency Exposure that are not hedged by derivative instruments is as follows

Unhedged Foreign currency exposure as at March 31, 2017	Currency	Amount in Foreign Currency	₹ in Lakhs
Borrowings and interest thereon	USD	246,236,432	157,242
Borrowings and interest thereon	EURO	7,660,509	5,338
Trade Payable	USD	38,233	25
Total		**253,935,175**	**162,605**

Unhedged Foreign currency exposure as at March 31, 2016	Currency	Amount in Foreign Currency	₹ in Lakhs
Borrowings and interest thereon	USD	262,680,020	168,497
Borrowings and interest thereon	EURO	8,345,707	6,260
Trade Payable	USD	38,233	25
Total		**271,063,960**	**174,782**

Note: Amounts in INR are at the closing exchange rates at the year end.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's fixed rate long term borrowings carry step up interest rate with a predetermined yield rate which is fixed throughout the tenor of the borrowings, whereas floating rate long Term Borrowing is exposed to market rate fluctuations.

In order to manage this risk exposure, management keeps a portfolio mix of fixed & floating interest rate Debts in the total portfolio of financial instruments.

Interest rate sensitivity:

With all other variable held constant the following table reflects the impact of borrowing cost on floating rate portion of total Debt:

(₹ in Lakhs)

Particulars	2016-17		2015-16	
	Effect on profit/ (loss) before tax due to following change in interest rates			
Risk Exposure	20 basis points Increase	20 basis points decrease	20 basis points Increase	20 basis points decrease
DEG Loan	(10)	10	(12)	12

d) 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 Company's borrowings related to its foreign currency convertible bonds & foreign currency loan.

Foreign currency risk is managed by effective foreign risk management policy based on risk perception of the management

Foreign Risk sensitivity:

The following table demonstrates the sensitivity in the USD & Euro to Indian Rupees with all other Variable held constant. The effect on loss before tax due to foreign exchange rate fluctuation:

(₹ in Lakhs)

Particulars	2016-17		2015-16	
	Effect on profit/ (loss) before tax due to following change in interest rates			
Risk Exposure	5% increase	5% decrease	5% increase	5% decrease
FCCBs (USD)	(7,334)	7,334	(7,408)	7,408
DEG (EURO)	(265)	265	(311)	311
Trade Payable	(1)	1	(1)	1

e) Commodity Price Risk

The Company invests on upgradation of its tower assets which includes purchases of A class items like Battery banks, Diesel Generators, SMPS and other electrical items. The prices of these items fluctuate based on the prices of its raw material which in case of battery bank is Lead prices. Further, Company consumes Diesel and Electricity for running its tower sites. These rates for Diesel and Electricity fluctuate based on central and state policies. Company has entered into contracts with the Customers for recovery of Diesel and Electricity Expenses. These contracts are linked with actual Diesel and Electricity Rates thus resulting in hedging.

Commodity price risk is managed by effective risk management policy with help of company's Supply Chain Management Team and Central Purchasing Committee based on risk perception.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2) Credit Risk

Credit risk refers to the risk of default of obligations by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and investments in mutual funds.

Trade Receivables

To manage this, Company periodically assesses the financial reliability of its customers, taking into account the current economic trend, business challenges, historic trend of payments, bad debts & ageing of accounts receivables. The Company provides Passive Telecom Infrastructure to Telecom Operators in India. During previous few quarters, all telecom companies faced increased pressure on earnings and financing fronts. The Supreme Court of India verdict for cancellation of 122 telecom licenses caused troubles for tower companies, adversely impacting their financing and fund raising plans. However, the risk is currently assessed at moderate level.

The Company, as a part of its risk management plan, has also obtained rolling advances & security deposits from its customers which in turn mitigate the credit risk to that extent.

The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers.

Financial instruments and Bank deposits

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.

3) 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 including deposits and advances received from customers as a part of its MSA signed.

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 The Company continues to take various measures such as cost optimisation, improving operating efficiency, renegotiation of contracts with customers to improve Company's 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.

As a result of the uncertainties prevailing in the Telecom sector, operators are reluctantly incurring capital expenditure which directly affects the Company's tenancies growth vis-à-vis Revenues.

The below table summarises the maturity profile of the company's financial liability based on contractual undiscounted cash flows

(₹ in Lakhs)

As at March 31, 2017	Less than 1 year	More than 1 year	Carrying Value
Interest bearing Loans & Borrowing	182,120	307,348	489,467
(Including current maturities)			
Other financial liabilities	32,626	2,427	35,053
Trade Payables	4,072	-	4,072

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

As at March 31, 2016	Less than 1 year	More than 1 year	Carrying Value
Interest bearing Loans & Borrowing	21,939	471,596	493,535
(Including current maturities)			
Other financial liabilities	31,556	1,936	33,492
Trade Payables	1,860	-	1,860

As at April 01, 2015	Less than 1 year	More than 1 year	Carrying Value
Interest bearing Loans & Borrowing	12,845	477,773	490,618
(Including current maturities)			
Other financial liabilities	14,707	1,848	16,555
Trade Payables	2,970	-	2,970

NOTE - 50 CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, convertible foreign currency bonds, securities premium, all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure continuity of the operating activities of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through mixture of existing equity, internal accruals and existing long term borrowings etc.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

Capital Gearing Ratio:

(₹ in Lakhs)

Borrowings	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Equity	246,008	233,639	232,515
Free Reserves	(316,951)	(289,318)	(234,584)
Total	**(70,943)**	**(55,679)**	**(2,069)**
Borrowings			
Non current	296,743	470,227	482,617
Current	176,672	21,939	12,845
Total	**473,415**	**492,166**	**495,462**
Capital Gearing Ratio(CGR)	(0.15)	(0.11)	(0.00)
CGR (%)	**(15)**	**(11)**	**(0.42)**

NOTE - 51 POST REPORTING EVENTS

Due to various adverse developments in telecom sectors including the cancellation of 2G licenses since implementation of CDR package, which were beyond management control, there was material adverse impact in the achievement of the CDR projections. While the Company had been able to meet its repayment obligations till June 30, 2016 out of its cash accruals and realization from current assets, in view of the substantial developments as aforesaid which have had a significant impact on the financial performance of the Company, the Company was facing challenges towards its debt repayment obligations. The Board of Directors of the Company at its meeting held on September 19, 2016, had recommended the invocation and implementation of the SDR Scheme for the Company. The CDR lenders of the Company, at a meeting of the Joint Lenders Forum (''JLF'') held on September 20, 2016, unanimously agreed to invoke the Strategic Debt Restructuring Scheme (''SDR Scheme'') for the Company having September 20, 2016 as the 'review and reference' date. Accordingly ''stand still'' clause is applicable for asset classification. Subsequent to the year end, all the CDR lenders approved the SDR Scheme and as on April 13, 2017 outstanding debts aggregating to ₹ 169,222 lakhs have been converted into 1,69,22,15,807 Equity Shares of ₹ 10 each at par resulting into reduction of Company's debt liability by the equivalent amount. The management believes that subsequent to conversion, the debt levels of the Company are expected to be at sustainable levels barring unforeseen event.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 52 MOVEMENT IN PROVISIONS
Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

(₹ in lakhs)

Nature of provision	Provision for Compensated Absences	Asset Retirement Obligation	Total
As at April 1, 2015	**125**	**4,228**	**4,353**
Unwinding of finance cost	-	268	268
Addition	42	-	42
Payment	(11)	-	(11)
Reversal of liability	-	(9)	(9)
As at March 31, 2016	**156**	**4,487**	**4,643**
Unwinding of finance cost	-	290	290
Addition	-	8	8
Payment	(10)	-	(10)
Reversal of liability	(21)	(26)	(47)
As at March 31, 2017	**125**	**4,759**	**4,884**

NOTE - 53 FIRST TIME ADOPTION OF IND AS
These financial statements, for the year ended March 31, 2017, are the first financial statements of the Company prepared in accordance with Ind AS.

For periods up to and including the year ended March 31, 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 ending on March 31, 2017 together with the comparative yearly data as at and for the year ended March 31, 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 April 1, 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 s, including the Balance Sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Exemptions applied
Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS.

Optional exemptions:
Deemed cost
The Company has elected to measure items of Property, plant , equipment and intangible assets at its carrying value on the transition date as deemed cost.

Lease Exemption
The Company has used Ind AS 101 exemption and assessed all arrangements for determining whether they contain lease based on facts and circumstances prevailing as at the transition date i.e. April 1, 2015.

Asset retirement obligation
Ind AS 101 provides an exemption for changes that occurred before the date of transition to Ind AS and prescribes an alternative treatment if the exemption is used. Asset retirement obligation is measured in accordance with Ind AS 37 at the date of transition to Ind AS. To the extent the liability is within the scope of Ind AS 16, estimated liability that would have been included in the cost of related asset should be discounted by using best estimate of the historical risk adjusted discount rate(s) over the intervening period and calculate the accumulated depreciation on that amount, as at the date of transition to Ind ASs, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity in accordance with Ind ASs. The Company has elected to use this exemption.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Long Term Foreign Currency Monetary Item

The Company has opted to continue the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

NOTE - 54 DISCLOSURES AS REQUIRED BY IND AS 101 OF INDIAN ACCOUNTING STANDARDS (IND AS)

Reconciliation of Balance Sheet as of April 1, 2015

(₹ in Lakhs)

	IGAAP		IND-AS
	As At April 01, 2015	Effect of transition to Ind AS	As At April 01, 2015
ASSETS			
(1) Non-Current Assets			
(a) Property , Plant and Equipment	3,40,067	3,006	3,43,073
(b) Capital work-in-progress	5,399	-	5,399
(c) Other Intangible Assets	99	-	99
(d) Financial Assets	-		
(i) Investments	1,82,114	8,110	1,90,224
(ii) Loans	3,298	(436)	2,862
(e) Other Non-current Assets	16,437	218	16,655
	5,47,414	**10,898**	**5,58,312**
(2) Current Assets			
(a) Inventories	61	-	61
(b) Financial Assets	-		
(i) Investments	6,294	89	6,383
(ii) Trade Receivables	15,160	-	15,160
(iii) Cash and Cash Equivalents	3,465	-	3,465
(iv) Bank Balances other than (iii) above	210	-	210
(v) Loans	1,212	81	1,293
(vi) Others	3,721	-	3,721
(c) Current Tax Assets (Net)	3,274	-	3,274
(d) Other Current Assets	9,910	(53)	9,857
	43,307	**117**	**43,424**
Total Assets	**5,90,721**	**11,015**	**6,01,736**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	2,32,515	-	2,32,515
(b) Other Equity	(1,87,897)	34,100	(1,53,797)
	44,618	**34,100**	**78,718**
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities	-		
(i) Borrowings	5,10,948	(33,175)	4,77,773
(ii) Other Financial Liabilities	3,815	(1,967)	1,848
(b) Provisions	114	4,203	4,317
(c) Other non-current Liabilities	0	6,345	6,345
	5,14,877	**(24,594)**	**4,90,283**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	2,970	-	2,970
(ii) Others Financial Liablities	26,840	711	27,551
(b) Other Current Liabilities	1,405	773	2,178
(c) Provisions	11	25	36
	31,226	**1,509**	**32,735**
Total Equity and Liabilities	**5,90,721**	**11,015**	**6,01,736**

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Reconciliation of Balance Sheet as of March 31, 2016

(₹ in Lakhs)

	IGAAP		Ind AS
	As At March 31, 2016	Effect of transition to Ind AS	As At March 31, 2016
ASSETS			
(1) Non-Current Assets			
(a) Property , Plant and Equipment	3,23,134	2,902	3,26,036
(b) Capital work-in-progress	4,566	-	4,566
(c) Other Intangible Assets	48	-	48
(d) Financial Assets	-		
(i) Investments	1,81,572	8,110	1,89,682
(ii) Loans	3,783	(555)	3,227
(e) Other Non-current Assets	2,352	197	2,549
	5,15,455	**10,654**	**5,26,108**
(2) Current Assets			
(a) Inventories	46	-	46
(b) Financial Assets	-		
(i) Investments	975	19	994
(ii) Trade Receivables	8,524	-	8,524
(iii) Cash and Cash Equivalents	4,624	-	4,624
(iv) Bank Balances other than (iii) above	228	-	228
(v) Loans	4,168	214	4,383
(vi) Others	3,895	-	3,895
(c) Current Tax Assets (Net)	4,569	-	4,569
(d) Other Current Assets	7,955	(249)	7,706
	34,984	**(16)**	**34,969**
Total Assets	**5,50,439**	**10,638**	**5,61,077**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	2,33,639	-	2,33,639
(b) Other Equity	(2,45,830)	31,279	(2,14,551)
	(12,191)	**31,279**	**19,088**
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	5,02,031	(30,435)	4,71,596
(ii) Other Financial Liabilities	3,602	(1,666)	1,936
(b) Provisions	137	4,464	4,601
(c) Other non-current Liabilities	0	6,239	6,239
	5,05,770	**(21,398)**	**4,84,372**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	1,860	-	1,860
(ii) Others Financial Liablities	53,559	(64)	53,495
(b) Other Current Liabilities	1,422	798	2,220
(c) Provisions	19	23	42
	56,860	**757**	**57,617**
Total Equity and Liabilities	**5,50,439**	**10,638**	**5,61,077**

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Reconciliation of Loss between IGAAP and Ind As for the year ended March 31, 2016

(₹ in Lakhs)

	IGAAP		Ind AS
	For the Year ended on March 31, 2016	Adjustments	For the Year ended on March 31, 2016
INCOME :			
Revenue from Operations	90,991	287	91,278
Other Income	1,211	554	1,765
Total Revenue	**92,202**	**841**	**93,043**
EXPENSES :			
Infrastructure Operation & Maintenace Cost	45,983	(78)	46,061
Employee Benefits Expense	3,407	40	3,367
Finance Costs	41,388	(5,507)	46,895
Depreciation/Impairment and Amortization Expenses	25,067	(98)	25,165
Bad Debts and Provision for Trade Receivables	9,066	-	9,066
Exchange Differences (Net)	8,088	(800)	8,888
Others	3,282	(203)	3,485
Total	**1,36,281**	**(6,646)**	**1,42,927**
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	(44,079)	(5,805)	(49,884)
Exceptional Item	10,655	-	10,655
PROFIT/(LOSS) BEFORE TAX	(54,734)	(5,805)	(60,539)
Tax Expenses	-		-
PROFIT/(LOSS) FOR THE YEAR	**(54,734)**	**(5,805)**	**(60,539)**
Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
Remeasurement of the defined benefit plans		(40)	40
(B) Items that will be reclassified to Profit or Loss			-
Total Other Comprehensive Income	**-**	**40**	**(40)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(54,734)**	**(5,845)**	**(60,579)**

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Reconciliation of Other Equity as of March 31, 2016 and April 2015

(₹ in Lakhs)

Particulars		Footnotes	March 31, 2016	April 01, 2015
Other equity as per IGAAP- Opening Balance			(245,830)	(187,897)
Adjustments				
I.	FCCB Series A fully convertible	1	25,481	26,605
II.	Impact due to Asset Retirement Obligation	2	(1,588)	(1,222)
III.	Security Deposit Received/(Paid)	3-4	171	154
IV.	Merger Expenses	5	(327)	(123)
V.	Fair valuation of Other Financial Instruments	6-8	7,542	8,686
Other Equity as per Ind AS- Closing Balance			(214,551)	(153,797)

Foot Notes to reconciliation

1) Foreign currency convertible bonds (FCCBs)

FCCB Series A are classified as compound financial instrument. The fair value of the liability component is determined to be NIL and thus entire liability of Series A bonds is reclassified as equity and presented under 'Other equity'.

FCCB Series B are fair valued on initial recognition and carried at amortised cost after considering the transaction cost and redemption premium. The redemption premium adjusted in the securities premium under Indian GAAP has been reversed under Ind AS. Consequently, the foreign currency loss recognised in the Foreign Currency Monetary Item Translation Difference Account (FCMITDA) has been adjusted. Subsequently, amortized cost to be calculated based on EIR.

2) Property, Plant and Equipment:

The Company obtains land for its ground based towers or space for roof top towers / poles, generally on lease. At the end of the lease term, the Company would incur dismantling and restoration costs i.e. asset retirement obligation (ARO). As per Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, liability towards this obligation is recorded at a present value of expected cost towards dismantling and restoration. The estimated future cash outflows are discounted at a current pre tax rate that reflects the risk specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as finance cost. Changes in the estimated future cost or in the discount rate applied are added to or deducted from the cost of the asset. Subsequently, Changes in the ARO liability resulting merely from the passage of time (accretion of the discounted liability) should be recognized as an increase in the carrying amount of the liability and corresponding interest cost is charged off to the statement of profit & loss.

3) Security Deposits to Landlords:

Under the previous GAAP, interest free lease security deposits given to the landlords (that are refundable on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value has been recognised as prepaid rent. Subsequently, prepaid rent will be amortized on straight line basis & Unwinding of Interest would be recorded to make fair value of the deposits equal to the amount of Deposit, over the lease term.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

4) Security Deposits from Customers:

Under the previous GAAP, interest free lease security deposits taken from the customers (that are refundable on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value has been recognised as Advance Revenue. Subsequently, Advance Revenue will be amortized on straight line basis & Unwinding of Interest expense would be recorded to make fair value of the deposits equal to the amount of Deposit, over the non-cancellable lease term.

5) Merger Expenses:

Under Ind AS, acquisition related costs in relation to the business combination such as advisory, legal, accounting, valuation fees, etc. needs to be recorded in the Statement of Profit and Loss in the year in which they are incurred.

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 subsequently, shall be carried at amortized cost based on EIR method.

7) Investments in Mutual Funds

Under Ind AS, investments in mutual funds are required to be classified as Fair Value Through Profit or Loss (FVTPL). Accordingly, investment in mutual funds is measured at fair value at each reporting date.

8) Financial Guarantee Obligation (FGO)

Under Ind As, FGO is required to be initially recorded at fair value. Such obligation shall be amortized in the statement of profit and loss on a straight line basis

9) Actuarial Gains/losses

Gains/losses through remeasurements of net defined benefit liabilities/asset are recognized in other comprehensive income.

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

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 55

In accordance with regulation 34(3) of the Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015, the details of Loans and Advances are as under:	
a)	To Chennai Network Infrastructure Limited (CNIL), an Associate, closing balance as on March 31, 2017 is ₹1,287 Lakhs (Previous year ₹ 3,894 lakhs). Maximum balance outstanding during the year was ₹ 3,894 lakhs (Previous year ₹ 6,572 lakhs).
b)	CNIL has not made investment in the shares of the Company.
c)	As per the Company's policy loans to employees are not considered for this clause.

NOTE - 56 In the opinion of the Management, Non Current/Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of the business

NOTE - 57 Segment Reporting

The Company is predominantly in the business of providing "Telecom Towers" on shared basis and as such there are no separate reportable segments. The Company's operations are only in India.

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah	**For Yeolekar & Associates**	**MILIND NAIK**	**MANOJ TIRODKAR**
Chartered Accountants	Chartered Accountants	**Whole Time Director**	**Chairman**
Firm Regd. No. 101720W	Firm Regd. No. 102489W	DIN-00276884	DIN-00298407
R KORIA	**CA S.S.YEOLEKAR**	**VIJAY VIJ**	**L Y DESAI**
Partner	Partner	Director	Chief Financial Officer
Membership No: 35629	Membership No:036398	DIN-02245470	

NITESH MHATRE
Company Secretary
Membership No: A18487

Mumbai
Date: April 27, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GTL INFRASTRUCTURE LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **GTL INFRASTRUCTURE LIMITED** (hereinafter referred to as "the Holding Company") and Subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet as at March 31, 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 Holding 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 Associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, as applicable.

The respective Board of Directors / Trustees of the Company / Trust included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and 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 the consolidated Ind AS financial statements by the Board of Directors of the Holding 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 the consolidated Ind AS financial statements in accordance with the Standards of Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 Holding 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 Holding 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 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 consolidated Ind AS financial statements.

Basis for Qualified Opinion

As mentioned in Note No. 41 to the consolidated Ind AS financial statements, the Hon'ble Supreme Court of India held that "Mobile Telecommunication Tower" is a building and State can levy property tax on the same. Pending Special Leave Petition before the Hon'ble Supreme Court in this regard, other petitions of the Holding Company and its Associate before other appropriate Courts, non-receipt of demand notices for property tax in respect of majority of the Telecommunication Towers and also due to Holding company and its Associate's right to recover such property tax amount from certain customers, the Holding company and its Associate are unable to quantify the amount of property tax to be borne by them and accordingly have not made any provision for the same.

We are unable to quantify the amount of the property tax, if any, to be accounted for and its consequential effects on the consolidated Ind AS financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on the financial statements of a subsidiary and an associate referred to in other matters paragraph below, except for the possible effects of the matters described in the para 3 above "Basis for Qualified Opinion", 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 associate as at March 31, 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 Matters

We draw your attention to the following notes of accompanying Consolidated Ind AS Financial Statements:

i. Note No. 29.1 regarding managerial remuneration paid to a whole time director is in excess of the limits prescribed in the Act. The Holding company has applied to Central Government for necessary approval which is awaited.

ii. Note No. 42 regarding scheme of Amalgamation (the scheme) between Chennai Network Infrastructure Limited (CNIL, an Associate) and the Holding Company being pursued by the Holding Company and preparation of Consolidated Ind AS Financial Statements without giving any effect of the scheme and to give the effect as and when the scheme becomes effective.

iii. Note No. 45 regarding preparation of the Consolidated Ind AS Financial Statements of the group on a going concern basis notwithstanding the fact that the Holding Company has been incurring cash losses and its net worth has been fully eroded as on March 31, 2017. Consolidated Ind AS Financial Statements have been prepared on going concern basis for the reasons stated in the said note. The appropriateness of assumption of going concern is critically dependent upon the Holding Company's ability to raise requisite finance/generate cash flows in future to meet its obligations.

Our opinion is not modified in respect of these matters.

Other Matters

i. We did not audit the financial statements of the Subsidiary, whose financial statements reflect total assets of Rs. 181,596 Lakhs as at March 31, 2017 and total revenue of Rs. NIL for the year then ended and financial statement of an Associate in which the share of loss of the group is Rs. 30,038 Lakhs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the Consolidated Ind AS Financial Statements to the extent they have been derived from such financial statements is based solely on the reports of such other auditors.

ii. The Holding Company did not prepare the Consolidated Financial Statements for the earlier years and accordingly the figures for the year ended March 31, 2016 and April 1, 2015 are as certified by the Management of the Holding Company.

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 regard to our reliance on the work done by and the reports of the other auditors and the figures for the earlier years as certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on the comments in the auditor's report of a subsidiary and an associate Company 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 reports 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 prescribed under Section 133 of the Companies Act, 2013.

   e) The going concern matter described in subparagraph (iii) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.

   f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 and taken on record by the Board of Directors of the Holding Company and as per the reports of the statutory auditors of its associate, incorporated in India, none of the directors of these entities is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our Report in "**Annexure A**", which is based on the auditors' reports of the Holding Company and an associate company.

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 March 30, 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 associates, in note nos. 37, 39, and 40 to the consolidated Ind AS financial statements except in respect of property tax as detailed in Note No. 41 to the consolidated Ind AS financial statements where the amount is not quantifiable and which is also a matter of qualified opinion in this report.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate company.

iv. The Holding Company has provided the requisite disclosures regarding to holdings and dealings in Specified Bank Notes as defined in the Notification S.O 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 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 accounts maintained by the Holding Company (refer to Note No 10.1 of Consolidated Ind AS Financial Statements).

For Chaturvedi & Shah
Chartered Accountants
Firm Reg. No. 101720W

R. Koria
Partner
Membership No. 35629

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

CA S. S. Yeolekar
Partner
Membership No. 036398

Place: Mumbai
Dated: April 27, 2017

ANNEXURE "A" TO THE INDEPENDENT

AUDITORS' REPORT

(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 Infrastructure Limited on the consolidated Ind AS financial statements for the year ended March 31, 2017)

Report on the Internal Financial Controls 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 INFRASTRUCTURE LIMITED** (hereinafter referred to as "the Holding Company") and its associate, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate company which is 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 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 issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Act, 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 judgement, 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 auditor in terms of his report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its associate company which are incorporated in India.

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 unauthorised 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 report of other auditor, as referred to in the Other Matters paragraph, the Holding Company and its associate company which is incorporated in India, have, 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 at March 31, 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 in so far as it relates to an associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

Our opinion is not modified in respect of the above matter.

For Chaturvedi & Shah	**For Yeolekar & Associates**
Chartered Accountants	Chartered Accountants
Firm Reg. No. 101720W	Firm Reg. No. 102489W
R. Koria	**CA S. S. Yeolekar**
Partner	**Partner**
Membership No. 35629	Membership No. 036398

Place: Mumbai
Dated: April 27, 2017

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2017

(₹ in Lakhs)

Particulars	Notes	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
ASSETS				
(1) Non-Current Assets				
(a) Property , Plant and Equipment	3 (a)	3,13,809	3,26,036	3,43,073
(b) Capital work-in-progress	3 (b)	4,332	4,566	5,399
(c) Intangible Assets	3 (c)	27	48	99
(d) Financial Assets				
(i) Investments	4	52,526	82,564	96,822
(ii) Loans	5	3,763	3,227	2,862
(e) Other Non-current Assets	6	5,950	2,549	16,655
		3,80,407	**4,18,990**	**4,64,910**
(2) Current Assets				
(a) Inventories	7	34	46	61
(b) Financial Assets				
(i) Investments	8	598	994	6,383
(ii) Trade Receivables	9	6,475	8,524	15,160
(iii) Cash and Cash Equivalents	10	3,785	4,632	3,475
(iv) Bank Balances other than (iii) above	11	245	228	211
(v) Loans	12	1,741	4,383	1,293
(vi) Others	13	5,860	3,911	3,741
(c) Current Tax Assets (Net)	14	5,500	4,569	3,274
(d) Other Current Assets	15	2,648	7,711	9,857
		26,886	**34,998**	**43,455**
Total Assets		**4,07,293**	**4,53,988**	**5,08,365**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	16	2,46,008	2,33,639	2,32,515
(b) Other Equity	17	(3,88,853)	(3,21,642)	(2,47,170)
		(1,42,845)	**(88,003)**	**(14,655)**
LIABILITIES				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	3,07,348	4,71,596	4,77,773
(ii) Other Financial Liabilities	19	2,427	1,936	1,848
(b) Provisions	20	4,850	4,601	4,317
(c) Other non-current Liabilities	21	5,757	6,239	6,345
		3,20,382	**4,84,372**	**4,90,283**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	22	4,072	1,860	2,970
(ii) Others Financial Liabilities	23	2,14,746	53,495	27,551
(b) Other Current Liabilities	24	10,903	2,220	2,178
(c) Provisions	25	35	44	38
		2,29,756	**57,619**	**32,737**
Total Equity and Liabilities		**4,07,293**	**4,53,988**	**5,08,365**
Significant Accounting Policies	2			
See accompanying Notes to the Financial Statements	1 to 59			

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah	**For Yeolekar & Associates**	**MILIND NAIK**	**MANOJ TIRODKAR**
Chartered Accountants	Chartered Accountants	**Whole Time Director**	**Chairman**
Firm Regd. No. 101720W	Firm Regd. No. 102489W	DIN-00276884	DIN-00298407
R KORIA	**CA S.S.YEOLEKAR**	**VIJAY VIJ**	**L Y DESAI**
Partner	Partner	Director	Chief Financial Officer
Membership No: 35629	Membership No:036398	DIN-02245470	

NITESH MHATRE
Company Secretary
Membership No: A18487

Mumbai
Date: April 27, 2017

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

Particulars	Notes	For the Year ended March 31, 2017	For the Year ended March 31, 2016
INCOME			
Revenue from Operations	26	95,211	91,278
Other Income	27	1,492	1,765
Total Income		**96,703**	**93,043**
EXPENSES			
Infrastructure Operation & Maintenance Cost	28	45,516	46,061
Employee Benefits Expense	29	2,187	3,367
Finance Costs	30	45,870	46,895
Depreciation/Impairment and Amortization Expenses	3	23,913	25,165
Bad Debts and Provision for Trade Receivables	31	2,147	9,066
Exchange Differences (Net)	32	2,227	8,888
Others	33	5,059	3,486
Total Expenses		**1,26,919**	**1,42,928**
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		**(30,216)**	**(49,885)**
Exceptional Item	35	-	10,655
PROFIT/(LOSS) BEFORE TAX		**(30,216)**	**(60,540)**
Tax Expenses		-	-
PROFIT/(LOSS) BEFORE SHARE IN LOSS OF ASSOCIATE		**(30,216)**	**(60,540)**
Share in Loss of Associate		(30,038)	(13,716)
PROFIT/(LOSS) FOR THE YEAR		**(60,254)**	**(74,256)**
Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(i) Remeasurement of the defined benefit plans		44	40
(ii) Share in Other Comprehensive Income of Associate		(0)	1
(B) Items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income		**(44)**	**(41)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(60,298)**	**(74,297)**
Earnings Per Equity Share of Face value of ₹10 each	44		
Basic and Diluted		**(2.52)**	**(3.19)**
Significant Accounting Policies	2		
See accompanying Notes to the Financial Statements	1 to 59		

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
Chartered Accountants
Firm Regd. No. 101720W

For Yeolekar & Associates
Chartered Accountants
Firm Regd. No. 102489W

MILIND NAIK
Whole Time Director
DIN-00276884

MANOJ TIRODKAR
Chairman
DIN-00298407

R KORIA
Partner
Membership No: 35629

CA S.S.YEOLEKAR
Partner
Membership No:036398

VIJAY VIJ
Director
DIN-02245470

L Y DESAI
Chief Financial Officer

NITESH MHATRE
Company Secretary
Membership No: A18487

Mumbai
Date: April 27, 2017

CONSOLIDATED CASH FLOW
STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before tax as per Statement of Profit and Loss	(30,216)	(60,540)
	ADJUSTED FOR		
	Depreciation and amortization expenses	23,913	25,165
	Loss on sale of Property, Plant and Equipment (PPE)	986	-
	Profit on Sale of PPE (net)	-	(268)
	Interest Income	(786)	(631)
	Finance Costs	45,870	46,895
	Foreign Exchange (Gain)/Loss (Net)	2,227	8,888
	Profit on sale of Investments	(109)	(272)
	Exceptional Items	-	10,655
	Balances Written off	2	206
	(Net of Provision for Doubtful Debts/Advances written Back)		
	Provision for Trade Receivables and Energy Recoverables	2,145	8,861
	Miscellaneous Income on Assets retirement obligation (ARO)	(12)	(4)
	Financial Guarantee Obligation- Commission	(541)	(541)
	Prepaid Rent amortization	77	78
	Advance revenue on deposits	(261)	(287)
	Merger Expenses	-	203
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	**43,294**	**38,407**
	ADJUSTMENTS FOR		
	Trade and Other Receivables	2,661	3,557
	Inventories	12	14
	Trade and Other Payables	9,302	4,226
	CASH GENERATED FROM OPERATIONS	**55,269**	**46,204**
	Taxes paid (Net)	(931)	(1,295)
	NET CASH FLOW FROM OPERATING ACTIVITIES	**54,338**	**44,908**

CONSOLIDATED CASH FLOW
STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
B.	**CASH FLOW FROM INVESTING ACTIVITES**		
	Purchase of Property, Plant & Equipment and Capital Work-in-progress	(19,826)	(8,507)
	Proceeds from disposal of PPE & CWIP	2,157	3,558
	Advance to associate (net)	2,130	(2,662)
	Purchase of Investments	(55,980)	(13,902)
	Sale of Current Investments	56,484	19,562
	Interest Income	1,179	79
	NET CASH USED IN INVESTING ACTIVITIES	**(13,854)**	**(1,871)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Long-term Borrowings	(3,274)	(9,803)
	Interest and Finance charges Paid	(38,040)	(32,060)
	Fixed Deposits with Banks pledged as Margin Money, Debt Service Reserve Account and others	(17)	(17)
	NET CASH USED IN FINANCING ACTIVITIES	**(41,332)**	**(41,880)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(847)**	**1,158**
	Cash and Cash Equivalents (Opening Balance) *	4,632	3,475
	Cash and Cash Equivalents (Closing Balance) *	3,785	4,632

* Refer Note No.10 to the Consolidated Financial Statements

(i) The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Cash Flow Statements".

(ii) Figures in bracket indicate Outflows.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Regd. No. 101720W

R KORIA
Partner
Membership No: 35629

For Yeolekar & Associates
Chartered Accountants
Firm Regd. No. 102489W

CA S.S.YEOLEKAR
Partner
Membership No:036398

For and on behalf of the Board of Directors

MILIND NAIK
Whole Time Director
DIN-00276884

MANOJ TIRODKAR
Chairman
DIN-00298407

VIJAY VIJ
Director
DIN-02245470

L Y DESAI
Chief Financial Officer

NITESH MHATRE
Company Secretary
Membership No: A18487

Mumbai
Date: April 27, 2017

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2017

(A) EQUITY SHARE CAPITAL

Particulars	Number	₹ in Lakhs
Equity Shares of INR 10 each issued, subscribed and fully paid		
Balance at the beginning of the reporting year i. e. April 1, 2015	2,32,51,47,780	2,32,515
Issued during the Year		
- On conversion of Foreign Currency Convertible Bonds	1,12,41,013	1,124
Balance at the end of the reporting year i. e. March 31, 2016	**2,33,63,88,793**	**2,33,639**
Issued during the Year		
- On conversion of Foreign Currency Convertible Bonds	12,36,94,557	12,369
Balance at the end of the reporting year i. e. March 31, 2017	**2,46,00,83,350**	**2,46,008**

(B) OTHER EQUITY

(₹ in Lakhs)

Particulars		Reserves and Surplus						
	Equity Component of Compound Financial Instruments	Capital Reserve	Securities premium account	Reconstruction Reserve	Foreign Currency Monetary Item Translation Diff. Account	Retained earnings	Other Comprehensive Income	Other Equity
Balance at the beginning of the reporting year i. e. April 1, 2015	26,605	1,846	60,667	1,993	(9,100)	(3,29,181)	-	(2,47,170)
- On conversion of Foreign Currency Convertible Bonds to Equity	(1,124)	-	-	-	-	-	-	(1,124)
Total Comprehensive Income for the year	-	-	-	-	-	(74,256)	(41)	(74,297)
Re-instatement/Amortisation of exchange difference to Statement of Profit & Loss	-	-	-	-	949	-	-	949
Balance at the end of the reporting year i. e. March 31, 2016	**25,481**	**1,846**	**60,667**	**1,993**	**(8,151)**	**(4,03,437)**	**(41)**	**(3,21,642)**
- On conversion of Foreign Currency Convertible Bonds to Equity	(12,369)	-	-	-	-	-	-	(12,369)
Total Comprehensive Income for the year	-	-	-	-	-	(60,254)	(44)	(60,298)
Re-instatement/Amortisation of exchange difference to Statement of Profit & Loss	-	-	-	-	5,455	-	-	5,455
Balance at the end of the reporting year i. e. March 31, 2017	**13,112**	**1,846**	**60,667**	**1,993**	**(2,696)**	**(4,63,691)**	**(85)**	**(3,88,853)**

As per our report of even date
For Chaturvedi & Shah
Chartered Accountants
Firm Regd. No. 101720W

R KORIA
Partner
Membership No: 35629

For Yeolekar & Associates
Chartered Accountants
Firm Regd. No. 102489W

CA S.S.YEOLEKAR
Partner
Membership No:036398

For and on behalf of the Board of Directors

MILIND NAIK
Whole Time Director
DIN-00276884

MANOJ TIRODKAR
Chairman
DIN-00298407

VIJAY VIJ
Director
DIN-02245470

L Y DESAI
Chief Financial Officer

NITESH MHATRE
Company Secretary
Membership No: A18487

Mumbai
Date: April 27, 2017

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 1 CORPORATE INFORMATION

GTL Infrastructure Limited (GIL) is domiciled and incorporated in India under the provision of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The registered office of the Company is located at Global Vision, 3rd Floor, Electronic Sadan II, MIDC TTC Industrial Area, Mahape, Navi Mumbai- 400 710, India.

The Company is in the business of passive infrastructure sharing which is based on building, owning, operating and maintaining passive telecom infrastructure sites capable of hosting active network components of various technologies of multiple telecom operators as well providing energy management solutions .

These Financial Statements were approved for issue by the Board of Directors on April 27, 2017.

NOTE - 2 BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements of the GIL ('the Parent') have been prepared on a going concern basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Principle of Consolidation

The consolidated financial statements relate to the parent together with subsidiary & an associate company. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the Parent and its subsidiary are combined on a line-by-line basis by adding together the book values of the 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".

(ii) 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.

(iii) Investments in Associate Company through its subsidiary have been accounted under the equity method as per Ind - AS 28 "Investments in Associates and Joint Ventures".

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 amount:

- Certain financial assets and liabilities measured at fair value
- Defined Benefit Plans- measured at Fair Value

The consolidated financial statements are presented in Indian Rupees, which is its functional and presentation currency. All values are rounded off to the nearest lakhs (100,000) except when otherwise indicated.

2 (A) Significant Accounting Policies

2.1. Property, Plant & Equipment

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

(b) Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost, any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

(c) The tangible assets at cellular sites, which are ready for use during the particular month are capitalised on the last day of the month.

(d) Advances paid towards acquisition of fixed assets are disclosed as Capital Advances under Loans and Advances and cost of assets not ready for use before the year-end, are disclosed as capital work in progress

(e) Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method over the useful life of the assets as 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.

Asset	Years
Network Operation Assets	9
Air Conditioners	9
Electrical and Power Supply Equipment	9
Office Equipment	3
Furniture and fittings	5
Vehicles	5

The management believes that the useful lives as given above represent the period over which these assets are expected to be used.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(f) The towers have been depreciated on straight line method at the rate of 2.72% per annum based on useful life of 35 years in terms of specific approval received from the Ministry of Corporate Affairs, Government of India vide Order no.45/2/2010-CL-III dated May 26, 2010 issued under Section 205(2)(d) of the Companies Act, 1956.The approval continues to be valid vide letter no.51/9/2014-CL-III dated September 19, 2014 received from Ministry of Corporate Affairs, Government of India.

(g) Further, In respect of Fixed Assets whose actual cost does not exceed ₹ 5,000, depreciation is provided at 100% in the year of addition

(h) The leasehold improvements have been depreciated over the lease period.

(i) The revised carrying amount of the assets identified as impaired have been depreciated over residual useful life of the respective assets

(j) 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.

(k) Gains or losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

2.2. Intangible Assets

On transition to Ind AS, the Company has elected to continue with the previous GAAP carrying values as deemed cost.

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognised 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 estimated by the management as mentioned below:

Computer Software	3 years

2.3. 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, 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 CGUs 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.

2.4. Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and 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.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.5. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks, on hand, cheques in hand, funds in transit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.6. 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.

I) Financial assets

A. 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..

B. Subsequent measurement

i) 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

ii) 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 debts to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) 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

C. Equity investments

All equity investments other than investment in Subsidiary and Associate 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 makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable

D. 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

NOTES
TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

substantially all the risks and rewards of the asset, but has transferred control of the asset. control of the asset.

E. Impairment of financial assets

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

a) Financial assets at amortised cost

b) 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 entity reverts to recognising impairment loss allowance based on 12-month ECL.

II. Financial liabilities

A. 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.

B. Subsequent measurement

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

a) 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 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 P&L. 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.

b) 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 or through the EIR amortisation process.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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.

This category generally applies to borrowings.

c) **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.

d) **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.

III. **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 though 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.

IV. **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.

V. **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.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.7. Provisions, Contingent Liabilities, Contingent Assets and Commitments

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.

2.8. Fair value measurement

“The Company measures financial instruments at fair value at each balance sheet date.

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:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.”

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.

2.9. 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 and duties collected on behalf of the Government.

Revenue from operations includes revenue for use of infrastructure facilities and energy revenue for the provision of energy for operation sites. Revenue for use of infrastructure (which is termed as “Revenue from Telecom / Network Infrastructure Facilities”) and revenue from Energy and Other Re-imbursements is recognized as and when services are rendered, on a monthly basis as per the contractual terms under agreements entered with customers. The Company has ascertained that the revenue for use of infrastructure facilities is structured to increase in line with expected inflationary increase in cost of the Company and hence, not straight-lined.

Interest income

Interest Income from financial assets is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Dividends

Income from dividends is recognised when the Company’s right to receive the dividend has been established.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.10. Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

i. **Company as a lessee**
Operating lease:
Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis 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.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

ii. **Company as a lessor**
Operating lease:
Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected increase in inflationary cost; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

2.11. 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 Profit and Loss Statement 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.

2.12. Foreign currency transactions

Transactions in foreign currencies are 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 profit or loss with the exception of the following:

Foreign exchange differences arising on translation of liabilities assumed before April 01, 2016 which are considered as long-term foreign currency monetary items are capitalised, if related to acquisition of fixed assets, or transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term Foreign Currency Monetary items but not beyond March 31, 2020.

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 transactions.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.13. Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. 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.

2.14. Taxes

Tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

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. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

2.15. 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.

2.16. Current and Non Current Classification

"The Company presents assets and liabilities in statement of financial position 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 is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) 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:

a) Expected to be settled in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

All other liabilities are classified as non-current."

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

2(B) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. 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.

a) Depreciation and useful lives of property plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

b) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of trade receivables and determining whether a provision against those receivables is required. Factors considered in assessing the recoverability of trade receivables include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

c) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take in the future years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

d) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits 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.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

g) **Fair value measurement of financial instruments**
When the fair value 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 Discounted Cash Flow (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.

h) **Taxes**
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 income together with future tax planning strategies. The Company does not expect availability of future taxable income sufficient to utilise its deferred tax assets. Further details on taxes are disclosed in note 47.

i) **Asset retirement obligations**
The Company has recognised a provision for asset retirement obligations associated with telecommunication towers. Such Provision is recognised in respect of dismantling of infrastructure equipment and restoration of sites under operating leases, the costs for which are expected to be incurred at the end of the lease term, based on the estimate provided by the internal technical experts. In determining the fair value of such provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

The Company estimates that the costs would be incurred at the end of the lease term and calculates the provision using the DCF method based on the discount rate that approximates interest rate of risk free borrowings and current estimate of asset retirement obligation duly adjusted for expected inflationary increase in related costs.

NOTE - 3

(a) Property , Plant and Equipment (PPE)

(₹ in Lakhs)

	Tangible Assets						Total
Particular	**Land**	**Buildings**	**Plant and Equipments**	**Office Equipments**	**Furniture & Fixtures**	**Vehicles**	
DEEMED COST							
As at April 1,2015	599	20,139	3,22,273	29	-	33	3,43,073
Additions	1	1	10,682	4	-	-	10,688
Disposals/ Adjustments	-	303	3,407	-	-	4	3,714
As at March 31, 2016	**600**	**19,837**	**3,29,548**	**33**	**-**	**29**	**3,50,047**
Additions	6	-	13,379	13	29	20	13,446
Disposals/ Adjustments	-	1	3,256	-	-	4	3,261
As at March 31, 2017	**606**	**19,836**	**3,39,671**	**46**	**29**	**45**	**3,60,232**
DEPRECIATION / AMORTISATION							
As at April 1,2015	-	-	-			-	-
Depreciation for the Year	-	2,603	22,480	18	-	8	25,109
Disposals/ Adjustments	-	71	1,027	-	-	-	1,098
As at March 31, 2016	**-**	**2,532**	**21,453**	**18**	**-**	**8**	**24,011**
Depreciation for the Year	-	2,583	21,270	12	2	8	23,875
Disposals/ Adjustments		1	1,462	-	-	-	1,463
As at March 31, 2017	**-**	**5,114**	**41,261**	**30**	**2**	**16**	**46,423**
NET BOOK VALUE							
As at April 1,2015	599	20,139	3,22,273	29	-	33	3,43,073
As at March 31, 2016	600	17,305	3,08,095	15	-	21	3,26,036
As at March 31, 2017	**606**	**14,722**	**2,98,409**	**16**	**27**	**29**	**3,13,809**

NOTES
TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3.1 Buildings include properties having carrying value of ₹ 572 Lakhs (March 31, 2016 ₹ 583 Lakhs ; April 1, 2015 ₹ 734 Lakhs) for which deeds of conveyance have yet to be executed in favour of the Company and ₹ 0.07 Lakhs towards cost of 70 shares of ₹100 each in a Co-operative Housing Society.

3.2 Buildings include of ₹ 10,407 Lakhs (March 31, 2016 ₹ 12,904 Lakhs ; April 1, 2015 ₹ 15,473 Lakhs) towards Land related properties and Boundary Wall at Sites.

3.3 Additions to Plant & Equipments includes Net Foreign Exchange Difference of ₹ (403 Lakhs) (March 31, 2016 ₹ 623 Lakhs ; April 1, 2015 ₹ (1,378 Lakhs) Capitalised during the year.

3.4 In accordance with Ind AS 36 on "Impairment of Assets" as notified by the Companies (Indian Accounting Standards) Rules 2015 , The Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating units in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on PPE during the year ended March 31, 2017.

3.5 Property, Plant and Equipment (PPE) includes assets mortgaged as security (Refer Note No. 18.1)

3.6 The carrying value (Gross Block less accumulated depreciation) as on 1st April, 2015 of the Property, Plant and Equipment is considered as a deemed cost on the date of transition.

(b) Capital work-in-progress

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Capital Work-in-Progress	4,332	4,566	5,399

3.7 During the year the Company has disposed off CWIP of ₹ 1,242 Lakhs for ₹ 1,076 Lakhs (March 31, 2016 ₹ 681 Lakhs for ₹ 634 Lakhs ; April 1, 2015 ₹ 1,435 Lakhs for ₹ 959 Lakhs)

3.8 Capital Work-in-Progress includes:
Capital Goods of Inventory amounting to ₹ 4,332 Lakhs (March 31, 2016 ₹ 4,566 Lakhs ; April 1, 2015 ₹ 5,399 Lakhs)

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(c) Intangible Assets*

(₹ in Lakhs)

Particulars	Intangible Assets* Software Licenses
DEEMED COST	
As at April 1,2015	99
Additions	5
Disposals/ Adjustments	-
As at March 31, 2016	**104**
Additions	17
Disposals/ Adjustments	-
As at March 31, 2017	**121**
DEPRECIATION / AMORTISATION	
As at April 1,2015	-
Depreciation for the Year	56
Disposals/ Adjustments	-
As at March 31, 2016	**56**
Depreciation for the Year	38
Disposals/ Adjustments	-
As at March 31, 2017	**94**
NET BOOK VALUE	
As at April 1,2015	99
As at March 31, 2016	48
As at March 31, 2017	27

* Other than Internally generated

NOTE - 4 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Long-term, Trade)

(₹ in Lakhs)

	Number						
Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015	Face Value (₹)	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Unquoted							
Investment in Associate (Carried at Cost)							
Investment in CNIL							
In Equity Shares - Fully Paid up (Net of Share of Losses)	1,81,57,22,400	1,81,57,22,400	1,81,57,22,400		44,416	74,454	88,170
- **Others** (Refer Note No. 4.1)					8,110	8,110	8,110
					52,526	82,564	96,280
Others							
In Equity Shares Others - Fully Paid up	3,32,50,000	3,32,50,000	3,32,50,000	10	-	-	542
(Carried at Fair Value through Profit & Loss)							
Global Rural NETCO Ltd.							
					52,526	**82,564**	**96,822**
Aggregate Amount of Unquoted Investments					**52,526**	**82,564**	**96,280**

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

4.1 The Company through Tower Trust (Company is the sole beneficiary) has invested the aforesaid amount in an Associate "Chennai Network Infrastructure Ltd." (CNIL) a special purpose vehicle (SPV) and holds 1,81,57,22,400 Equity Shares of ₹ 10 each (Previous year 1,81,57,22,400) representing 27.53% (Previous Year 27.53%) of total issued and paid up Equity Share Capital of CNIL as on March 31,2017. The Company considers its above investment as strategic and long term in nature.

NOTE - 5 LOANS

(Unsecured, Considered good)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Deposit Given	3,763	3,227	2,862
Total	**3,763**	**3,227**	**2,862**

NOTE - 6 OTHER NON-CURRENT ASSETS

(Unsecured, Considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Capital advances			
- Considered good	5,202	1,830	15,947
- Considered Doubtful	-	36,988	26,875
	5,202	**38,818**	**42,821**
Less: Provision for doubtful advances	-	36,988	26,875
	5,202	**1,830**	**15,947**
Prepaid Expenses	147	197	218
Other Advance*	601	522	490
Total	**5,950**	**2,549**	**16,655**

* Includes amount paid under protest & refund receivable from Sales Tax Authorities.

NOTE - 7 INVENTORIES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Stores, Spares and Consumables	34	46	61
Total	**34**	**46**	**61**

Refer Note No. 2.4 for basis of valuation

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 8 CURRENT FINANCIAL ASSETS - INVESTMENTS

(Other then Trade)

(₹ in Lakhs)

Particulars	Number						
	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015	Face Value (₹)	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Investment (Carried at Fair Value through Profit & Loss)							
Unquoted							
In Unit of Mutual Funds							
Axis Liquid Fund - Direct Growth	58	7,188	-	1,000	1	121	-
DWS Insta Cash Plus Fund - Direct Plan - Growth	-	-	78,986	100	-	-	144
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	42,938	100	-	-	83
IDBI Liquid Fund - Direct Plan - Growth	-	-	74,490	1,000	-	-	1,117
JP Morgan India Liquid Fund - Direct Plan - Growth	-	-	66,97,407	10	-	-	1,216
Peerless Liquid Fund - Direct Plan Growth	-	-	71,900	1,000	-	-	1,105
SBI Premier Liquid Fund - Direct Plan - Growth	14,688	19,214	9,346	1,000	375	457	206
Union KBC Liquid Fund Growth - Direct Plan	13,686	27,436	1,79,186	1,000	222	416	2,512
Total					**598**	**994**	**6,383**
Aggregate Amount of Unquoted Investments					**598**	994	6,383

NOTE - 9 TRADE RECEIVABLES

(Unsecured, subject to confirmation and Considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Trade Receivables			
- Considered good	6,475	8,524	15,160
- Considered Doubtful	4,661	13,286	8,205
	11,136	**21,810**	**23,365**
Less: Provision for doubtful receivables	4,661	13,286	8,205
	6,475	**8,524**	**15,160**
Total	**6,475**	**8,524**	**15,160**

NOTE - 10 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Cash and cash equivalents			
Balances with Banks:			
- in current accounts	3,781	4,417	3,362
- cheques in hand	-	209	96
Cash on hand	4	6	17
	3,785	4,632	3,475
Total	**3,785**	**4,632**	**3,475**

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 10.1 Detail of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is as under:

(₹ in Lakhs)

Particulars	SBN	Other Denomination Notes	Grand Total
Closing cash in hand as on 08.11.2016	9	8	17
(+) Permitted receipts	-	12	12
(-) Permitted payments	-	17	17
(-) Amount deposited in Banks	9	-	9
Closing cash in hand as on 30.12.2016	-	3	3

NOTE - 11 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
- Pledged as Margin Money	150	137	127
- Others	95	91	84
	245	**228**	**211**
Total	**245**	**228**	**211**

Includes ₹ 1 Lac (March 31, 2016 ₹ 3 Lakhs ; April 1, 2015 ₹ 2 Lakhs) having maturity period of more than 12 months.

NOTE - 12 LOANS
(Unsecured and Considered good)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Loans and advances to related parties (Refer Note - 43)*	1,287	3,894	755
Deposits	454	489	538
Total	**1,741**	**4,383**	**1,293**

* Above Loan has been given for business purpose.

NOTE - 13 OTHER CURRENT FINANCIAL ASSETS
(Unsecured and Considered good)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Unbilled Income	5,839	3,891	3,717
Interest Receivable	21	20	24
Total	**5,860**	**3,911**	**3,741**

NOTE - 14 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Advance income-tax (net of provision for taxation)	5,500	4,569	3,274
Total	**5,500**	**4,569**	**3,274**

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 15 OTHER CURRENT ASSETS

(Unsecured, Considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Cenvat / Service Tax input credit entitlements	430	398	7,576
Prepaid expenses	353	372	302
Other Advances *			
- Considered good	1,865	6,941	1,979
- Considered Doubtful	7	7	7
	1,872	6,948	1,986
Less: Provision for doubtful advances	7	7	7
	1,865	6,941	1,979
Total	**2,648**	**7,711**	**9,857**

* Mainly relating to advances to suppliers, employees etc.

NOTE - 16 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
AUTHORISED			
6,00,00,00,000; (4,50,00,00,000); (4,50,00,00,000) Equity Shares of ₹ 10 each	6,00,000	4,50,000	4,50,000
10,00,00,000; (5,00,00,000); (5,00,00,000) Preference Shares of ₹100 each	1,00,000	50,000	50,000
	7,00,000	**5,00,000**	**5,00,000**
ISSUED, SUBSCRIBED AND FULLY PAID-UP			
2,46,00,83,350; (2,33,63,88,793); (2,32,51,47,780) Equity Shares of ₹ 10 each fully paid-up	2,46,008	2,33,639	2,32,515
Total	**2,46,008**	**2,33,639**	**2,32,515**

NOTE - 16.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	₹ in Lakhs	Number	₹ in Lakhs	Number	₹ in Lakhs
Equity Shares at the beginning of the Year	2,33,63,88,793	2,33,639	2,32,51,47,780	2,32,515	2,32,51,47,780	2,32,515
Issued during the Year						
- On conversion of Foreign Currency Convertible Bonds (Refer Note - 18.3)	12,36,94,557	12,369	1,12,41,013	1,124		
Equity` Shares at the end of the Year	2,46,00,83,350	2,46,008	2,33,63,88,793	2,33,639	2,32,51,47,780	2,32,515

16.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.3 Shares reserved for issue under options :

The Foreign Currency Convertible Bonds (FCCB) holders have the option to convert FCCB into 1,18,10,71,464 Equity Shares (March 31, 2016 1,30,47,66,024 ; April 1, 2015 1,31,60,07,039) (Refer Note No. 18.3)

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 16.4 Details of shareholders holding more than 5% shares in the Company

Name of share holders	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number of Shares held	% holding in Share Capital	Number of Shares held	% holding in Share Capital	Number of Shares held	% holding in Share Capital
GTL Limited	34,57,63,466	14.05%	34,57,63,466	14.80%	34,57,63,466	14.87%
Global Holding Corporation Private Limited	28,30,62,609	11.51%	28,30,62,609	12.12%	28,30,62,609	12.17%
Indian Overseas Bank	16,19,76,510	6.58%	16,19,76,510	6.93%	16,19,76,510	6.97%
ELM Park Fund Limited	17,99,71,057	7.32%	17,99,71,057	7.70%	17,99,71,057	7.74%
Union Bank Of India	*	*	12,10,34,706	5.18%	12,10,34,706	5.21%

* Holding less than 5% as on March 31, 2017

NOTE - 17 OTHER EQUITY

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Reconstruction Reserve	1,993	1,993	1,993
Balance as per last Balance Sheet			
Capital Reserve	1,846	1,846	1,846
Balance as per last Balance Sheet			
Securities premium account			
Opening Balance	60,667	60,667	60,667
Equity Component of Compound Financial Instruments			
Opening Balance	25,481	26,605	26,605
Less : Transfer to Share Capital on conversion of FCCB	12,369	1,124	-
	13,112	**25,481**	**26,605**
Foreign Currency Monetary Item Translation Difference Account			
Opening Balance	(8,151)	(9,100)	(9,100)
Less : Amortisation of exchange difference to Statement of Profit & Loss	(5,455)	(949)	-
	(2,696)	(8,151)	(9,100)
Surplus/ (Deficit) in the Statement of Profit & Loss			
Opening Balance	(4,03,478)	(3,29,181)	(3,29,181)
Loss for the Year	(60,298)	(74,297)	-
	(4,63,776)	**(4,03,478)**	**(3,29,181)**
Total	**(3,88,853)**	**(3,21,642)**	**(2,47,170)**

Nature and purpose of Reserves

17.1 Reconstruction Reserve

Created pursuant to scheme of arrangement approved by Hon'ble High Court in earlier years. It shall be utilised as per provisions of Companies Act 2013.

17.2 Capital Reserve

Created On Forfeiture of Preferential Convertible Warrants. It shall be utilised as per provisions of Companies Act 2013.

17.3 Securities premium account

Created on conversion of Employee Stock Options Scheme , Preferential Warrants and Foreign currency convertible Bonds. It shall be utilised as per provisions of Companies Act 2013.

17.4 Equity Component of Compound Financial Instruments

Series A Bonds of USD 111,740,000 are compulsorily convertible into equity shares. As these Bonds are compulsorily Convertible, they are considered as other Equity as per IND (AS) 109 and disclosed as "Equity Component of Compound Financial Instruments". It will be transfer to Share Capital as per the terms of Series A bonds.

NOTES
TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

17.5 Foreign Currency Monetary Item Translation Difference Account
Unamortised part of Exchange difference on account of re-instatement of Series B Bonds

NOTE - 18 BORROWINGS

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Secured Loans			
Rupee Term Loans from			
- Banks	2,96,356	3,13,136	3,28,819
- Financial Institution	7,892	7,914	8,216
	3,04,248	**3,21,050**	**3,37,035**
Foreign Currency Term Loan from			
- Financial Institution	3,100	4,457	5,046
	3,07,348	**3,25,507**	**3,42,081**
Unsecured Loans			
- Foreign Currency Convertible Bonds (Refer Note - 18.3)	-	1,46,089	1,35,692
Total	**3,07,348**	**4,71,596**	**4,77,773**

18.1 (A) Rupee Term Loans from Banks & Financial Institutions are secured by way of

(i) Mortgage by first pari-passu charge on all immovable assets, both present and future and on all movable assets, both present and future, including first floating charge on all the current assets of the Company.

(ii) Sponsor support from Global Holding Corporation Private Limited (GHC) and guarantee of Mr. Manoj Tirodkar (Promoter) towards debt servicing of CDR Lenders and personal guarantee aggregating to ₹ 60,104 Lakhs by Mr. Manoj Tirodkar

(B) Foreign Currency Term Loan from Financial Institutions is secured by way of

Mortgage by first pari-passu charge on all immovable assets, both present and future and on all movable assets, both present and future, including first floating charge on all the current assets of the Company.

18.2 Terms of Repayment

(i) Rupee Term Loans from Banks and Financial Institutions and Current Maturities of Long-term borrowings having an effective yield of 10.75% over the tenure of the facility aggregating to ₹ 2,99,864 Lakhs are repayable in 40 structured quarterly instalments ending on June 30, 2026

The Maturity Profile of these loans is as set below:

2017-18	**2018-19**	**2019-20**	**2020-21**
₹ 18,291 Lakhs	₹ 21,340 Lakhs	₹ 24,389 Lakhs	₹ 27,437 Lakhs
2021-22	**2022-23**	**2023-24**	**2024-25**
₹ 33,534 Lakhs	₹ 38,107 Lakhs	₹ 38,107 Lakhs	₹ 38,107 Lakhs
2025-26	**2026-27**		
₹ 39,631 Lakhs	₹ 11,868 Lakhs		

(ii) Rupee Term Loans from Banks having an Interest rate of 8% p.a aggregating to ₹ 21,087 Lakhs are repayable only after the Final Settlement date of all other restructured Loans, i.e., June 30, 2026.

(iii) The Foreign Currency Term Loan and Current Maturities of Long term borrowings relating to Foreign Currency Term Loan are repayable in 24 equated quarterly instalments of Euro 4 Lakhs starting from June 15 , 2013 and ending on March15 , 2021. The loan carries Interest rate of 3 months Euribor+200 bps.

NOTES
TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

18.3 Foreign Currency Convertible Bonds (FCCBs) :

(i) In terms of Offering Circular dated October 17, 2012 ("Offering Circular"), on November 8, 2012 outstanding Foreign Currency Convertible Bonds (FCCBs) of USD 228,300,000 together with premium of USD 90,986,000 on them aggregating to USD 319,286,000 were restructured by way of cashless exchange with 111,740 Zero Coupon Compulsorily Convertible Bonds due 2017 (Series A) and 207,546 Interest Bearing Convertible Bonds due 2017 (Series B) of USD 1,000 each.

(ii) Series A and Series B Bondholders have an option to convert these bonds into equity shares at a fixed exchange ratio of 1 USD=₹ 54.252 at any time upto the Close of Business on November 2, 2017 ("Maturity Date") except during the 'closed period' as defined in the 'Offering Circular'.

(iii) Series A Bonds of USD 111,740,000 are compulsorily convertible into equity shares. Each Series A bond is convertible into 5425.20 fully paid up equity shares of ₹ 10 each. As on March 31, 2017, 24,168 Series A Bonds were outstanding. As these Bonds are compulsorily Convertible, they are considered as other Equity as per IND (AS) 109 and disclosed as "Equity Component of Compound Financial Instruments" (Refer Note No. 17).

(iv) The Series B Bonds of USD 207,546,000 are interest bearing optionally convertible bonds. Each bond carries an Interest at the rate of 0.5335% p.a. payable semi annually on the outstanding principal plus the margin for period under consideration with effect from November 8, 2013 as defined in Offering Circular. The Conversion Price shall be determined in terms of 'Offering Circular'. As on date, applicable Conversion Price for each Bond is ₹ 10 per equity share, accordingly Series B Bondholder have an option to convert each bond into 5,425.20 fully paid up equity shares of ₹ 10 each. As on March 31, 2017, 1,93,533 Series B Bonds were outstanding.

(v) Unless previously converted, redeemed, repurchased or cancelled, the Company will redeem each Series B Bond at 114.5047% of its principal amount on the maturity date i.e November 9, 2017.

18.4 The details of overdue Principal and interest payable as at March 31, 2017 is as follows:

₹ in Lakhs

Particulars	Total Overdue	Ageing		
		0-30 Days	31-60 Days	> 60 Days
Principal Payable on Term Loan from Banks & Financial Institution*	18,614	4,407	-	14,207
Interest Payable on Term Loan from Banks & Financial Institution**	14,542	2,909	5,222	6,412

* Included in Current Maturities of Long-Term Borrowings (Refer Note - 23)

** Shown as Interest accrued and due on Borrowings (Refer Note - 23)

18.5 The Board of Directors of the Company ("Board') had, in its meeting held on September 19, 2016, recommended the invocation and implementation of the Strategic Debt Restructuring Scheme ("SDR Scheme") for the Company. The CDR lenders of the Company, at a meeting of the Joint Lender Forum ("JLF") held on September 20, 2016, have also unanimously agreed to invoke the SDR Scheme for the Company having September 20, 2016 as the 'review and reference date'. Accordingly, "Stand Still" clause is applicable for asset classification. Pending final approval of SDR, the Company continues to account for interest obligation for various credit facilities as per the terms of CDR. (Refer Note No. 52)

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 19 OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Deposits from customers	2,427	1,936	1,848
Total	**2,427**	**1,936**	**1,848**

NOTE - 20 PROVISIONS

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Provision for compensated absences	115	137	114
Asset Retirement Obligation	4,735	4,464	4,203
Total	**4,850**	**4,601**	**4,317**

(Refer Note No. 53)

NOTE - 21 OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Advance Revenue	1,297	1,238	804
Financial Guarantee Obligation	4,460	5,001	5,541
Total	**5,757**	**6,239**	**6,345**

NOTE - 22 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Micro,Small & Medium Enterprises	18	35	12
Others	4,054	1,825	2,958
Total	**4,072**	**1,860**	**2,970**

NOTE - 22.1 DETAILS OF DUES TO MICRO, SMALL & MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT,2006

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
(i) Principal amount remaining unpaid	18	35	12
(ii) Interest due thereon (₹ 1,615 As at April 1, 2015)	NIL	4	0
(iii) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006* (₹ 2,632 As at April 1, 2015)	NIL	4	0
(iv) Interest due and payable for the period of delay in payment (₹ 2,932 As at April 1, 2015)	NIL	NIL	0
(v) Interest accrued and remaining unpaid (₹ 300 As at April 1, 2015)	NIL	NIL	0
(vi) Interest remaining due and payable even in succeeding years	NIL	NIL	NIL

* Interest waived by the parties is not considered for the purpose of above disclosure

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 23 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Current maturities of long-term borrowings (Refer Note - 18.4)			
- Rupee Term Loans from Banks and Financial Institutions	35,860	20,251	11,824
- Foreign Currency Convertible Bonds (Refer Note - 18.3)	1,44,169	-	-
- Foreign Currency Term Loans from Financial Institutions	2,091	1,688	1,020
	1,82,120	**21,939**	**12,844**
Interest accrued and due on long-term borrowings (Refer Note - 18.4)	14,542	9,805	318
Interest accrued but not due on borrowings	2,519	2,820	2,218
Deposits from customers	3,961	3,470	3,239
Creditors for Capital goods	1,601	2,906	957
Other Payable*	10,003	12,555	7,975
Total	**2,14,746**	**53,495**	**27,551**

* Mainly includes Provision towards salary, restructuring and other expenses payable.

NOTE - 24 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Unearned revenue	637	411	393
Income received in advance	8,564	-	-
Advance Revenue	319	256	232
Advance received from customer	572	437	591
Financial Guarantee Obligation	541	541	541
Statutory dues	270	575	421
Total	**10,903**	**2,220**	**2,178**

NOTE - 25 PROVISIONS

(₹ in Lakhs)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Provision for compensated absences	10	19	11
Asset Retirement Obligation	25	25	27
Total	**35**	**44**	**38**

(Refer Note No. 53)

NOTE - 26 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from Telecom/Network Infrastructure Facilities	63,293	62,169
Energy and Other Re-imbursements	31,918	29,057
Equipment Provisioning	-	52
Total	**95,211**	91,278

NOTES
TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 27 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Gain on financial instruments measured at fair value through Profit & Loss A/c (Net)	109	272
Profit on Sale of PPE (net of Loss on sale/discard of PPE)	-	268
Interest Income	786	631
Guarantee Commission	541	541
Miscellaneous Income	56	53
Total	**1,492**	**1,765**

NOTE - 28 INFRASTRUCTURE OPERATION & MAINTENANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Site Rentals	8,667	8,453
Power, Fuel and Maintenance Charges	32,947	33,111
Repairs and Maintenance to Plant and Equipments	1,248	1,202
Stores & Spares consumption	24	57
Other Operating Expenditure	2,630	3,238
Total	**45,516**	**46,061**

NOTE - 29 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Allowances	1,833	3,049
Contribution to Provident Fund, Gratuity fund and Other Funds	313	283
Employee Welfare and other amenities	41	35
Total	**2,187**	**3,367**

29.1 Salaries and Allowances include remuneration paid to Whole Time Director of ₹ 50 Lakhs (previous year ₹ 50 Lakhs) which is subject to approval of Central Government.

29.2 Employee Benefits:

As per Indian Accounting Standard 19 “Employee Benefits” the disclosures as defined in the IND AS are given below:

Defined Contribution Plans

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Employer’s Contribution to Provident fund	193	165
Employer’s Contribution to Pension fund	59	58
Total	**252**	**223**

The Contribution to Provident Fund and Pension Fund is made to employees Provident Fund and Pension Fund managed by Provident Fund Commissioner.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Defined Benefit Plans

The employee's Gratuity Fund Scheme, which is a defined benefit plan, is managed by the 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 recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognised in same manner as gratuity.

a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	As At March 31, 2017	As At March 31, 2016
Defined Benefit Obligation at beginning of the Year	474	391
Current Service Cost	53	46
Current Interest Cost	38	31
Actuarial (Gain) / Loss	47	47
Benefits paid	(57)	(41)
Defined Benefit Obligation at the end of the Period / Year	**555**	**474**

b. Reconciliation of opening & closing balances of fair value of plan assets

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	As At March 31, 2017	As At March 31, 2016
Fair Value of Plan Asset at beginning of the Year	587	415
Interest Income	47	33
Expected Return on Plan Assets	3	8
Contributions	82	73
Fund Transferred In	27	100
Fund Transferred out	(3)	(2)
Benefits paid	(57)	(41)
Fair Value of Plan Asset at the end of the Period / Year	**687**	**587**

c. Net Liability/ (Assets) recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	As At March 31, 2017	As At March 31, 2016
Fair Value of Plan Asset at the end of the Period / Year	687	587
Present Value of Defined Benefit Obligation at end of the Period / Year	555	475
Liability/ (Asset) recognised in the Balance Sheet	**(131)**	**(112)**

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

d. **Expenses Recognised During the year**

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	As At March 31, 2017	As At March 31, 2016
In Income Statement		
Current Service Cost	53	46
Net Interest Cost	(9)	(2)
Net Cost	44	44
In Other Comprehensive Income (OCI)		
Actuarial (Gain)/ Loss	47	47
Return on plan assets	(3)	(8)
Net (Income)/Expenses for the period / year recognised in OCI	44	39

e. **Assumptions used to determine the defined benefit obligation**

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	As At March 31, 2017	As At March 31, 2016
Mortality Table	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate
Discount Rate(p.a.)	7.29%	8.04%
Estimated rate of return on Plan Assets(p.a.)	7.29%	8.04%
Expected rate of increase in salary(p.a.)	5.00%	5.00%

The estimates of rate of increase in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply anad demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return of Plan Assets is determined considering several applicable factors. Mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

f. The major categories of plan assets and the fair value of the total plan assets are as follows:

(₹ in Lakhs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Insurance Fund	687	587

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

g. **Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in Lakhs)

Particulars	**Gratuity Fund**			
	For the year ended March 31, 2017	**For the year ended March 31, 2016**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease
Assumptions				
Impact of Rate of discounting	(48)	55	(39)	45
Impact of Rate of salary increase	56	(49)	46	(40)
Impact of Rate of Employee Turnover	9	(10)	10	(11)

h. **Expected Contribution towards defined benefit plan in future years**

(₹ in Lakhs)

Maturity Analysis of Projected benefit Obligation :From the Fund	**Gratuity Fund**	
	For the year ended March 31, 2017	**For the year ended March 31, 2016**
Within 1 year	29	35
1-2 year	21	26
2-3 year	34	21
3-4 year	39	32
4-5 year	61	42
5-10 years	**192**	**217**

Maturity Analysis of Projected Defined Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.

NOTE - 30 FINANCE COSTS

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Interest	45,766	46,798
Other Borrowing Costs	104	97
Total	**45,870**	**46,895**

NOTE - 31 BAD DEBTS AND PROVISION FOR TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Balances Written Off (Net)	48,588	5,160
Less: Provision for Doubtful Debts/Advances Written Back	(48,586)	(4,954)
Provision for Trade Receivables and Energy Recoverables	2,145	8,860
Total	**2,147**	**9,066**

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 32 EXCHANGE DIFFERENCES (NET)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Exchange differences (net)	2,227	8,888
Total	**2,227**	**8,888**

NOTE - 33 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent	505	508
Property Tax Including Rates and Taxes - Others	374	199
Electricity	68	65
Repairs and Maintenance		
- Office Building	1	1
- Office Equipments	27	32
- Others	10	20
Insurance Premium	120	92
Communication Cost	63	74
Travel and Conveyance	546	369
Legal and Professional Charges	1,013	1,032
SDR, Merger and Other related Expenses	236	-
Payment to Auditors	67	67
Office Expenses	302	270
Printing and Stationery	47	37
Corporate Branding & Promotions	189	361
Directors' Sitting Fees	128	37
Loss on Sale (net of gain) of PPE	986	-
Miscellaneous Expenses	377	322
Total	**5,059**	**3,486**

33.1 Payment to Auditors includes:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Audit Fees	30	30
Tax Audit Fees	12	12
Certification Fees	25	25
Total	**67**	**67**

NOTE - 34 FOLLOWING ENTITIES ARE CONSIDERED IN CONSOLIDATED FINANCIAL STATEMENTS

Name of Entity	Relationship	Principal Activities	Country of Incorporation	Proportion of Ownership
Tower Trust	Subsidiary	To hold Investment	India	100%*
Chennai-Network Infrastructure Limited	Associate through its subsidiary	Passive Telecom Infrastructure	India	27.53%*

*Proportion of holding in Subsidiary and associate has been same for the year ended March 31, 2017, March 31, 2016 and March 31, 2015.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 35 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	FY 2016-17	FY 2015-16
The telecom scenario in the Country changed drastically since the beginning of year 2012 due to cancellation of 122 2G licenses by the Hon'ble Supreme Court, slower 2G & 3G growths, failure of spectrum auctions and general economic slowdown. During his time, the Company which was mandated to support the planned deployment of 20,000+ tenancies of Aircel/ CNIL could not do so since Aircel was unable to honour its commitment. In the meanwhile, the Company had already placed orders on various vendors to procure tower assets and made advances against those orders. Consequently, the Company had to short close its commitment to vendors and has already taken appropriate steps against them for recovery of these advances. However, as a matter of prudence, provision for doubtful advances was considered.	-	10,113
Loss recognised on fair valuation of Non-Current investment in Equity Shares of Global Rural NETCO Limited.	-	542
Total	**-**	**10,655**

NOTE - 36 OPERATING LEASE COMMITMENT

Company as a lessor

The Company has entered into operating lease arrangement with its customers for Infrastructure provisioning. Future Minimum lease payments receivable under non cancellable operating lease are as follows

(₹ in Lakhs)

Period	March 31, 2017	March 31, 2016	April 1, 2015
Within one year	43,703	40,018	43,411
After one year but not later than five years	141,539	130,768	138,840
Later than five years	120,943	105,254	126,454

Company as a lessee

The Company has entered into operating lease arrangement with Landlords for its Site Locations. Future Minimum lease payments under operating lease are as follows

(₹ in Lakhs)

Period	March 31, 2017	March 31, 2016	April 1, 2015
Within one year	7,675	8,575	8,388
After one year but not later than five years	15,473	22,132	28,396
Later than five years	4,180	5,196	7,507

NOTE - 37 CONTINGENT LIABILITIES AND COMMITMENTS

a. **Contingent liability not provided for**

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Bank guarantees (provided under contractual and legal obligations)	195	217	218
Corporate Guarantee (Given to Banks & Financial Institutions for loan taken by erstwhile subsidiary company)	83,100	83,100	83,100
Claims against the Company not acknowledged as debts	4,584	1,294	1,606
Disputed liability in respect of indirect tax matters under appeal (Amount deposited ₹ 227 lakhs , ₹ 227 lakhs, ₹ 212 lakhs as of the end of respective years)	1,387	1,509	1,226

b) Certain Legal issues are outstanding against the Company mainly in relation to the alleged non-compliance policies of municipal corporations, cases pending for permanent injunctions, objections by the local residents, disputes with site owners, in respect of which the amounts cannot be quantified at this stage and therefore the Contingent Liability in respect of this could not be determined.

The Company does not expect any material financial effect of the above matters under litigation.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

c) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Capital Commitments	1,648	2,059	1,650

Cash flow is expected on execution of such contracts on progressive basis.

38. The management and authorities have the power to amend financial statements in accordance with section 130 and 131 of companies Act, 2013.

39. During the year 2008-09 the company had imported OFC (Optical Fiber Cable) on which the Custom department issued Show Cause Notice for the demand of Custom Duty of ₹ 93 Lakhs. The company deposited the whole amount under protest and subsequently the Commissioner granted the relief to the Company of ₹ 78 lakhs. As against the said order of the Commissioner, the Custom department has filed an appeal with the CESTAT, Mumbai on 11th Oct 2010. The Company feels there will not be any further liability on this account.

40. During earlier years, as legally advised, the Company's CENVAT credit aggregating to ₹ 7,993 Lakhs was utilised for discharging service tax liability of Chennai Network Infrastructure Limited, an Associate, which is in the process of merger with the Company. CNIL also paid the same to the Service Tax Authority under Voluntary Compliance Encouragement Scheme (VCES) in November, 2013. Subsequently, the Company filed a writ petition in High Court of judicature at Mumbai for seeking restoration of this cenvat credit and based on the Mumbai High court direction, CESTAT passed the order in March 2015 for allowing the Company to restore the said amount as Cenvat credit. The Service tax authorities have filed an appeal with the High court challenging the CESTAT order passed in March 2015. The company has been advised that there will not be any outflows in this regard.

41. The Hon'ble Supreme Court vide its order dated December 16, 2016 upheld that "Mobile Telecommunication Tower" is a building and the State can levy property tax as envisaged in entry 49 of the list II of the seventh schedule of the Constitution of India, while deciding the Special Leave Petition (SLP) filed by various Municipal Corporations and the State of Gujarat against the order of the Divisional Bench of Gujarat High Court. Another SLP filed by one of the customers of the Company against the Corporation (in which an associate company of the Company is also a party) for the similar matter is still pending before the Hon'ble Supreme Court and is expected to be heard shortly.

In respect of few sites where demand notices for property tax have been received, the Company has contested the demands in certain cases by filing writ petitions in appropriate Courts for the assessment of property tax demand / retrospective levy of property tax, it's procedure and quantum, that have been demanded for in respect of which the Hon'ble High Court passed an order not to take any coercive action till the admission of matter. In respect of majority of the sites, the Company has so far not received any such demand. Further, as per the Master Service Agreements / Arrangements executed with certain customers the property tax if any, paid by the Company is to be recovered from them.

In view of the pending matter before the Hon'ble Supreme Court and other courts, absence of any demand for majority of the towers and also the Company's right to recover the property tax amounts from certain customers, the Company is unable to quantify the amount of property tax, if any, to be borne by it and accordingly no provision for the same can be made at this stage and the same will be recognized as and when the matter is settled.

42. Scheme of Amalgamation

The Company continues to pursue the merger process of Chennai Network Infrastructure Limited (CNIL) with itself. The Joint Lenders Forum (JLF) along with the invocation of SDR has also resolved that the merger process currently being pursued by the Company be done simultaneously along with the SDR process. Further, the Board of Directors of the Company in its Meeting held on April 22, 2017 has considered and approved the Scheme of Amalgamation between CNIL and the Company having the appointed date as April 01, 2016, subject to necessary approvals from various statutory authorities and tribunal/court. Upon the Scheme becoming effective, 1 fully-paid Equity Share of ₹10 of the Company will be issued for every 1 fully-paid up Equity Share of CNIL and the Company's investment in CNIL through trust will stand cancelled.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

43. AS PER IND AS 24, THE DISCLOSURE OF TRANSACTIONS WITH THE RELATED PARTIES ARE GIVEN BELOW:

a) List of Related Parties and relationships

I) Associate

Chennai Network Infrastructure Limited

II) Key Management Personnel

Manoj G. Tirodkar, Chairman

Mr. Milind K. Naik, Whole Time Director

Mr. Laxmikant. Y. Desai, Chief Financial Officer

III) Others

GTL Limited (GTL)

Global Holding Corporation Pvt Ltd

b) Transactions during the year with related parties

Transactions with Related Parties at Arms Length Price

(₹ in Lakhs)

ASSOCIATE	For the year ended March 31, 2017	For the year ended March 31, 2016
Chennai Network Infrastructure Limited		
Sale of Fixed Assets	42	67
Purchase of Fixed Assets	90	20
Reimbursement of expense from	8,489	8,346
Interest Income	94	479
Balance at the year end	**31-Mar-17**	**31-Mar-16**
Loan and advances to related parties	1,287	3,894
Corporate Guarantee#	83,100	83,100
Investment in Associate	52,526	82,564
KEY MANAGERIAL PERSONNEL	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Milind Naik, Whole Time Director*		
Salaries & Allowances (Short term Employee benefits)	50	50
L.Y. Desai, CFO*		
Salaries & Allowances (Short term Employee benefits)	207	128
Manoj Tirodkar, Chairman		
Director Sitting Fees Paid	13	6

NOTES
TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

OTHERS		
GTL Limited	**For the Year ended March 31, 2017**	**For the Year Ended March 31, 2016**
Purchase of Fixed Assets	821	1,641
Reimbursement of expenses from	737	72
License fees for sharing premises from	39	43
Energy Management Services	31,879	29,797
Field Level Operations & Maintenance Charges	5,378	5,162
Legal and Professional Charges	28	29
Rent to	411	388
Reimbursement of expenses to	9	102
Balance at the year end	**31-Mar-17**	**31-Mar-16**
Trade Payables	1,686	-
Capex Creditors	802	1,877
Loan and advances to related parties	-	191
Other Payable	2,945	2,988
Deposit given	216	216

given to the lenders of CNIL namely Corporation Bank & Central Bank of India for the financial facilities availed by that company.

* Note: As the Liability for gratuity and leave encashment are provided on actuarial basis for the company as a whole amounts accrued pertaining to Key managerial personnel are not included above.

Terms & Conditions:

The transactions with related parties are at arm's length price and in the ordinary course of business. All outstanding balances are unsecured and are repayable in cash except corporate guarantee.

NOTE - 44 EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Net Loss after tax attributable to Equity Share holders for Basic/Diluted EPS	(60,254)	(74,256)
Weighted average number of equity shares outstanding for Basic/Diluted EPS*	2,39,54,93,745	2,32,67,73,087
Basic & Diluted Earnings Per Share of ₹10 Each (₹)	**(2.52)**	(3.19)

*Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued to the FCCB holders multiplied by the time weighting factor.

The effect of Foreign Currency Convertible Bonds on the Earnings per Share is anti-dilutive and hence, the same is not considered for the purpose of calculation of dilutive Earning per Share.

45. The stagnant telecom industry has been, of late, witnessing several opportunities for growth. This turnaround was largely due to fresh tenancy rollouts due to new 2G /3G /4G /LTE spectrum auctioned in last couple of years. The recent entry of new incumbent operator has already started generating significant opportunities for business growth. The Company believes that it would be able to secure significant share in the incremental tenancies. As mentioned in note no. 51, subsequent to the year end, the Company's debt liability has been substantially reduced due to conversion of debt into equity share capital and the Company is also in the process of restructuring its FCCBs respectively. Besides, the continuing measures taken by the Company in terms of cost rationalization and renegotiation of MSAs have benefited the Company with improved cash flows, streamlined revenues and reduction of delays in collection cycle. In view of the above, the Company continues to prepare its financial statements on a going concern basis.

46. Details of loans given, investment made and Guarantees given, covered U/S 186(4) of the Companies Act, 2013

- Details of Loans given are given in note no.12
- Corporate Guarantees have been issued on behalf of Associate company, details of which are given in related party transactions (refer note no. 43)

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 47 DEFERRED TAX

47.1 Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate:

Since the Company has incurred loss during the year 2016-17, previous year 2015-16 and 2014-15 and no tax is payable for these years as per provisions of Income Tax Act, 1961 and no deferred tax assets recognised, the calculation of effective tax rate is not relevant and hence, not given.

47.2 Deferred tax liabilities / (Assets) relates to the following:

(₹ in Lakhs)

Particulars	AS at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Property, Plant and Equipment	39,737	38,699	36,009
Other Intangible Assets	8	15	31
Investments	0	6	27
Disallowance Under Section 43B of the Income Tax Act, 1961	(7,942)	(7,145)	(5,716)
Provision for doubtful debts	(1,440)	(4,105)	(2,535)
Unabsorbed Depreciation	(94,839)	(85,684)	(75,455)
Deferred Tax Assets (net)	**(64,476)**	**(58,214)**	**(47,639)**

The Company has net Deferred Tax Assets (DTA) as at March 31, 2017 which is not recognised in the financial statements in the absence of probable taxable profits against which the same can be utilised.

47.3 Amount and expiry date of unused tax losses for which no deferred tax asset is recognised:

(₹ in Lakhs)

Assessment Year (AY)	Unused tax Loss	Carried Forward Till AY
2013-14	30,265	2021-22
2014-15	25,840	2022-23
2015-16	1,652	2023-24
2016-17	17,569	2024-25
2017-18	52,333	2025-26
	1,27,659	

From last many years the Company is incurring losses and doesn't expect sufficient future taxable income in the near future against which the unused tax losses can be utilised, so the Company has not recognised the DTA for the same.

NOTE - 48 FAIR VALUES

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements.

a) Financial Assets measured at fair value through profit or loss:-

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial Assets :			
Investment in Equity	-	-	542
Investment in units of Mutual Funds	598	994	6,383
Total	**598**	**994**	**6,925**

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

b) Financial Assets measured at amortised cost:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Security Deposit	4,218	4,211	3,716	3,741	3,400	3,420
Total	**4,218**	**4,211**	**3,716**	**3,741**	**3,400**	**3,420**

c) Financial Assets measured at amortised cost:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
- Borrowings						
Floating rate borrowings						
DEG Loan	5,191	5,191	6,145	6,145	6,066	6,066
Fixed rate borrowings						
CDR Loan	3,54,649	3,54,203	3,51,107	3,32,134	3,49,177	3,30,652
FCCB Series B	1,46,689	1,53,570	1,48,908	1,66,379	1,37,910	1,54,521
- Other Financial Liabilities						
Deposits from customer	6,389	6,417	5,406	5,551	5,087	4,977
Financial guarantee contracts	5,001	4,725	5,541	5,436	6,082	6,096
Total	**5,17,919**	**5,24,106**	5,17,107	5,15,645	5,04,322	5,02,312

d) The carrying amounts of the following financial assets and financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately

i) Financial Assets:

- Trade Receivables
- Cash and Cash equivalents
- Bank balances other than cash and cash equivalents
- Loans & advances to related parties

ii) Financial Liabilities:

- Trade Payables
- Other current liabilities

Fair Valuation techniques used to determine fair value

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

i) The fair value of investments in unlisted equity shares is determined using Net Asset Value (NAV) method.

ii) Fair Value of mutual fund are reported as per Net Asset Value

iii) The fair values of non-current loans/Borrowings and security deposits are calculated based on Discounted Cash Flows technique (DCF) using a current lending rate relevant to the instrument.

iv) The fair values of the Company's financial guarantee obligations are determined by using DCF method using Rate of commission at which guarantees would have been issued for unrelated parties and Incremental Borrowing Rate. Appropriate weightage has been assigned to discount factor for counterparty non-performance risk.

NOTES
TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

v) Fair value of trade receivable, cash and cash equivalents, other bank balances, trade payables, loans and other financial assets and liabilities are approximate to their carrying amounts largely due to the short-term maturities of these instruments.

vi) 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.

NOTE - 49 FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

Level 1:- Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.

Level 2:- Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3:- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides the fair value measurement hierarchy of the Company's Assets and Liabilities

(₹ in Lakhs)

Particulars	March 31, 2017		
	Level 1	Level 2	Level 3
Financial Assets measured at fair value through profit or loss (Investments except equity investments in subsidiary and associates):			
– Unqouted equity investments	-	-	-
– Mutual funds	598	-	-
Financial Assets Measured at amortised cost:-			
– Security Deposit	-	4,211	-
Total	**598**	**4,211**	**-**
Financial Liabilities Measured at amortised cost:-			
Floating rate borrowings			
– FCCB Series B	-	1,53,570	-
– DEG Loan	-	5,191	-
Fixed rate borrowings			
– CDR Loan	-	3,54,203	-
Deposits from customer	-	6,417	-
Financial guarantee contracts	-	4,725	-
Total	**-**	**5,24,106**	**-**

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

Particulars	March 31, 2016		
	Level 1	Level 2	Level 3
Financial Assets measured at fair value through profit or loss (Investments except equity investments in subsidiary and associates):			
-- Unqouted equity investments	-	-	-
-- Mutual funds	994	-	-
Financial Assets Measured at amortised cost:-	-	3,741	-
-- Security Deposit			
Total	**994**	**3,741**	**-**
Financial Liabilities Measured at amortised cost:-			
Floating rate borrowings			
--DEG Loan	-	6,145	-
Fixed rate borrowings			
--FCCB Series B	-	1,66,379	-
--CDR Loan	-	3,32,134	-
Deposits from customer	-	5,551	-
Financial guarantee contracts	-	5,436	-
Total	**-**	**5,15,645**	**-**

(₹ in Lakhs)

Particulars	April 1, 2015		
	Level 1	Level 2	Level 3
Financial Assets measured at fair value through profit or loss (Investments except equity investments in subsidiary and associates):			
-- Unqouted equity investments	-	-	542
-- Mutual funds	6,383	-	-
Financial Assets Measured at amortised cost:-	-	3,420	-
-- Security Deposit			
Total	**6,383**	**3,420**	**542**
Financial Liabilities Measured at amortised cost:-			
Floating rate borrowings			
--DEG Loan	-	6,066	-
Fixed rate borrowings			
--FCCB Series B	-	1,54,521	-
--CDR Loan	-	3,30,652	-
Deposits from customer	-	4,977	-
Financial guarantee contracts	-	6,096	-
Total	**-**	**5,02,312**	**-**

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Description of the inputs used in the fair value measurement:

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2017, March 31, 2016 and April 1, 2015 respectively:

Particulars	Level 3	AS at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial Assets measured at fair value through profit or loss (Investments except equity investments in subsidiary and associates):				
Unlisted equity investments	Valuation Technique	Book Value	Book Value	Book Value
	Inputs used	Financial statements	Financial statements	Financial statements
	Sensitivity	No material impact on fair valuation	No material impact on fair valuation	No material impact on fair valuation

Reconciliation of fair value measurement categorised within level 3 of the fair value hierarchy:

Financial Assets measured at fair value through profit or loss - Investments except equity investments in subsidiary and associates

Particulars	₹ in Lakhs
Fair value as at April 1, 2015	542
Loss on financial instruments measured at fair value through profit or loss (net)	(542)
Fair value as at March 31, 2016	-
Gain/ (Loss) on financial instruments measured at fair value through profit or loss (net)	-
Fair value as at March 31, 2017	-

NOTE - 50 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings including Interest thereon, Trade payables, Capex Creditors, deposits from Customers and others Financial Liabilities. The main purpose of these financial liabilities is to finance the Company's operations, including Tower upgradation projects under implementation. The Company's principal financial assets include Investments, Deposits, loans and advances, receivables and cash and bank balances that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Audit Committee of the Board of Directors of the Company oversees the management of these risks. The focus of Risk Management is to assess risks, monitor, evaluate and deploy mitigation measures to manage these risks within risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets 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 Instrument affected by market risk includes loans and borrowings, deposits and derivative financial instruments.

As the revenues from company's tower business are dependent on the sustainability of Telecom sector, Company believes that macro-economic factors, including the growth of Indian economy, interest rates as well as political & economic environment, have a significant direct impact on company's business, results of operations & financial positions.

NOTES
TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

a) Interest Rate Exposure profile appended in the table below

(₹ in Lakhs)

Borrowings	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Floating Rate Loans	5,191	6,145	6,066
Fixed rate Loans	484,276	487,390	484,551
Total	**489,467**	**493,535**	**490,617**

b) Foreign Currency Exposure that are not hedged by derivative instruments is as follows

Unhedged Foreign currency exposure as at March 31, 2017	Currency	Amount in Foreign Currency	₹ in Lakhs
Borrowings and interest thereon	USD	246,236,432	157,242
Borrowings and interest thereon	EURO	7,660,509	5,338
Trade Payable	USD	38,233	25
Total		**253,935,174**	**162,605**

Unhedged Foreign currency exposure as at March 31, 2016	Currency	Amount in Foreign Currency	₹ in Lakhs
Borrowings and interest thereon	USD	262,680,020	168,497
Borrowings and interest thereon	EURO	8,345,707	6,260
Trade Payable	USD	38,233	25
Total		**271,063,960**	**174,782**

Note: Amounts in INR are at the closing exchange rates at the year end.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's fixed rate long term borrowings carry step up interest rate with a predetermined yield rate which is fixed throughout the tenor of the borrowings, whereas floating rate long Term Borrowing is exposed to market rate fluctuations.

In order to manage this risk exposure, management keeps a portfolio mix of fixed & floating interest rate Debts in the total portfolio of financial instruments.

Interest rate sensitivity:

With all other variable held constant the following table reflects the impact of borrowing cost on floating rate portion of total Debt:

(₹ in Lakhs)

Particulars	2016-17		2015-16	
	Effect on profit/ (loss) before tax due to following change in interest rates			
Risk Exposure	20 basis points Increase	20 basis points decrease	20 basis points Increase	20 basis points decrease
DEG Loan	(10)	10	(12)	12

d) 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 Company's borrowings related to its foreign currency convertible bonds & foreign currency loan.

Foreign currency risk is managed by effective foreign risk management policy based on risk perception of the management

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Foreign Risk sensitivity:

The following table demonstrates the sensitivity in the USD & Euro to Indian Rupees with all other Variable held constant. The effect on loss before tax due to foreign exchange rate fluctuation:

(₹ in Lakhs)

Particulars	2016-17		2015-16	
	Effect on profit/ (loss) before tax due to following change in interest rates			
Risk Exposure	5% increase	5% decrease	5% increase	5% decrease
FCCBs (USD)	(7,334)	7,334	(7,408)	7,408
DEG (EURO)	(265)	265	(311)	311
Trade Payable	(1)	1	(1)	1

c) Commodity Price Risk

The Company invests on upgradation of its tower assets which includes purchases of A class items like Battery banks, Diesel Generators, SMPS and other electrical items. The prices of these items fluctuate based on the prices of its raw material which in case of battery bank is Lead prices. Further, Company consumes Diesel and Electricity for running its tower sites. These rates for Diesel and Electricity fluctuate based on central and state policies. Company has entered into contracts with the Customers for recovery of Diesel and Electricity Expenses. These contracts are linked with actual Diesel and Electricity Rates thus resulting in hedging.

Commodity price risk is managed by effective risk management policy with help of company's Supply Chain Management Team and Central Purchasing Committee based on risk perception.

2) Credit Risk

Credit risk refers to the risk of default of obligations by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and investments in mutual funds.

Trade Receivables

To manage this, Company periodically assesses the financial reliability of its customers, taking into account the current economic trend, business challenges, historic trend of payments, bad debts & ageing of accounts receivables. The Company provides Passive Telecom Infrastructure to Telecom Operators in India. During previous few quarters, all telecom companies faced increased pressure on earnings and financing fronts. The Supreme Court of India verdict for cancellation of 122 telecom licenses caused troubles for tower companies, adversely impacting their financing and fund raising plans. However, the risk is currently assessed at moderate level.

The Company, as a part of its risk management plan, has also obtained rolling advances & security deposits from its customers which in turn mitigate the credit risk to that extent.

The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers.

Financial instruments and Bank deposits

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.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3) 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 including deposits and advances received from customers as a part of its MSA signed.

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 The Company continues to take various measures such as cost optimisation, improving operating efficiency, renegotiation of contracts with customers to improve Company's 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.

As a result of the uncertainties prevailing in the Telecom sector, operators are reluctantly incurring capital expenditure which directly affects the Company's tenancies growth vis-à-vis Revenues.

The below table summarises the maturity profile of the company's financial liability based on contractual undiscounted cash flows

(₹ in Lakhs)

As at March 31, 2017	Less than 1 year	More than 1 year	Carrying Value
Interest bearing Loans & Borrowing	182,120	307,348	489,467
(Including current maturities)			
Other financial liabilities	32,626	2,427	35,053
Trade Payables	4,072	-	4,072
As at March 31, 2016	**Less than 1 year**	**More than 1 year**	**Carrying Value**
Interest bearing Loans & Borrowing	21,939	471,596	493,535
(Including current maturities)			
Other financial liabilities	31,556	1,936	33,492
Trade Payables	1,860	-	1,860
As at April 01, 2015	**Less than 1 year**	**More than 1 year**	**Carrying Value**
Interest bearing Loans & Borrowing	12,845	477,773	490,618
(Including current maturities)			
Other financial liabilities	14,707	1,848	16,555
Trade Payables	2,970	-	2,970

NOTE - 51 CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, convertible foreign currency bonds, securities premium, all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure continuity of the operating activities of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through mixture of existing equity, internal accruals and existing long term borrowings etc.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Capital Gearing Ratio

(₹ in Lakhs)

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Equity	246,008	233,639	232,515
Free Reserves	(437,128)	(396,498)	(327,526)
Total	**(191,120)**	**(162,859)**	**(95,011)**
Borrowings			
Non current	296,743	470,227	482,617
Current	176,672	21,939	12,845
Total	**473,415**	**492,166**	**495,462**
Capital Gearing Ratio(CGR)	(0.40)	(0.33)	(0.19)
CGR (%)	**(40)**	**(33)**	**(19)**

NOTE - 52 POST REPORTING EVENTS

Due to various adverse developments in telecom sectors including the cancellation of 2G licenses since implementation of CDR package, which were beyond management control, there was material adverse impact in the achievement of the CDR projections. While the Company had been able to meet its repayment obligations till June 30, 2016 out of its cash accruals and realization from current assets, in view of the substantial developments as aforesaid which have had a significant impact on the financial performance of the Company, the Company was facing challenges towards its debt repayment obligations. The Board of Directors of the Company at its meeting held on September 19, 2016, had recommended the invocation and implementation of the SDR Scheme for the Company. The CDR lenders of the Company, at a meeting of the Joint Lenders Forum (''JLF'') held on September 20, 2016, unanimously agreed to invoke the Strategic Debt Restructuring Scheme (''SDR Scheme'') for the Company having September 20, 2016 as the 'review and reference' date. Accordingly ''stand still'' clause is applicable for asset classification. Subsequent to the year end, all the CDR lenders approved the SDR Scheme and as on April 13, 2017 outstanding debts aggregating to ₹ 169,222 lakhs have been converted into 1,69,22,15,807 Equity Shares of ₹ 10 each at par resulting into reduction of Company's debt liability by the equivalent amount. The management believes that subsequent to conversion, the debt levels of the Company are expected to be at sustainable levels barring unforeseen event.

NOTE - 53 MOVEMENT IN PROVISIONS

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

(₹ in lakhs)

Nature of provision	Provision for Compensated Absences	Asset Retirement Obligation	Total
As at April 1, 2015	**125**	**4,228**	**4,353**
Unwinding of finance cost	-	268	268
Addition	42	-	42
Payment	(11)	-	(11)
Reversal of liability	-	(9)	(9)
As at March 31, 2016	**156**	**4,487**	**4,643**
Unwinding of finance cost	-	290	290
Addition	-	8	8
Payment	(10)	-	(10)
Reversal of liability	(21)	(26)	(47)
As at March 31, 2017	**125**	**4,759**	**4,884**

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 54 FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended March 31, 2017, are the first financial statements of the Company prepared in accordance with Ind AS.

As no consolidated financial statements were prepared for the year ended March 31, 2016 and March 31, 2015 as per IGAAP, reconciliations as required by Ind AS vide Para 23 of Ind AS 101 "First Time Adoption of Ind AS" are not applicable.

NOTE - 55

In accordance with regulation 34(3) of the Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015, the details of Loans and Advances are as under:	
a)	To Chennai Network Infrastructure Limited (CNIL), an Associate, closing balance as on March 31, 2017 is ₹1,287 Lakhs (Previous year ₹ 3,894 lakhs). Maximum balance outstanding during the year was ₹ 3,894 lakhs (Previous year ₹ 6,572 lakhs).
b)	CNIL has not made investment in the shares of the Company.
c)	As per the Company's policy loans to employees are not considered for this clause.

NOTE - 56 INTEREST IN ASSOCIATE

The Company has a 27.53 % interest in Chennai Network Infrastructure Limited (CNIL), which is involved in the business of passive infrastructure sharing in India. CNIL is a private entity that is not listed on any public exchange. The Company's interest in CNIL is accounted using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Company's investment in CNIL

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current assets	40,090	46,022	72,305
Non-current assets	6,94,057	7,89,086	8,17,412
Current liabilities	90,202	49,348	40,175
Non-current liabilities	4,82,591	5,15,295	5,29,255
Equity	161,354	270,465	320,286
proportion of Company's ownership	27.53%	27.53%	27.53%
carrying amount of investment	44,421	74,459	88,175
	FY16-17	FY15-16	
Revenue	133,393	123,273	
other income	1,386	1,173	
Infrastructure Operations & Maintenance cost	58,402	54,278	
Employee benefits expense	3,839	4,904	
other expenses	4,824	3,133	
finance costs	56,620	57,848	
Bad debts/provision	4,850	2,753	
Exchange differences (net)	-	0	
Depreciation/impairment and amortization	50,354	51,352	
profit/(loss) before exceptional item and tax	(44,110)	(49,824)	
Exceptional items	65,000	-	
Income tax expense	-	-	
profit/(loss) for the year	(109,110)	(49,824)	
Total Comprehensive Income	(109,110)	(49,822)	
Group's share of profit/(loss) for the year	(30,038)	(13,716)	

NOTE - 57 In the opinion of the Management, Non Current/Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of the business.

NOTES

TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - 58 Additional Information pursuant to Para 2 of general instructions for the preparation of consolidated financial statements. :

Name of the entity in the group	Net assets ie. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent	4	(5,713)	50	(30,212)	100	(44)	50	(30,256)
Subsidiaries								
Indian								
Tower trust	(127)	1,81,596	0	(4)	-	-	0	(4)
Elimination & Consol Adjustment	127	(1,81,572)	-	-	-	-	-	-
Associates (Investment as per								
the equity method)								
Indian								
CNIL	96	(1,37,156)	50	(30,038)	0	(0)	50	(30,038)
Total	**100**	**(1,42,845)**	**100**	**(60,254)**	**100**	**(44)**	**100**	**(60,298)**

NOTE - 59 SEGMENT REPORTING

The Company is predominantly in the business of providing "Telecom Towers" on shared basis and as such there are no separate reportable segments. The Company's operations are only in India.

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah	**For Yeolekar & Associates**	**MILIND NAIK**	**MANOJ TIRODKAR**
Chartered Accountants	Chartered Accountants	**Whole Time Director**	**Chairman**
Firm Regd. No. 101720W	Firm Regd. No. 102489W	DIN-00276884	DIN-00298407
R KORIA	**CA S.S.YEOLEKAR**	**VIJAY VIJ**	**L Y DESAI**
Partner	Partner	Director	Chief Financial Officer
Membership No: 35629	Membership No:036398	DIN-02245470	

NITESH MHATRE
Company Secretary
Membership No: A18487

Mumbai
Date: April 27, 2017

Notes

LIST OF OFFICES IN INDIA

Andhra Pradesh
207/208, Navketan Bldg 62, 2nd Floor,
Sarojini Devi Road, Near Clock Tower,
Secunderabad - 500 003 (Hyderabad)

Assam
3rd Floor, Mayur Garden Building,
Opp Rajeev Bhavan, ABC Bus Stop,
Bhangagarh G. S. Road, Guwahati 781 005

Bihar
Markandey Complex, 3rd Floor,
Gayatri Mandir Road, Near Paneerwalla,
Kankerbagh, Patna - 800 020, Bihar

Delhi
3rd Floor, Palm Court Building,
20/4, Sukhrali Chowk,
Gurgaon - 122 001

Gujarat
101, 1st Floor, Sanmukh Complex,
9 Kalpana Society,
Behind Navrangpura Post Office,
Navrangpura, Ahmedabad,
Gujarat - 380 009

Jammu & Kashmir
1st Floor, Sunny Square, Commercial
Complex, Near J & K Bank Ltd, Gangyal,
Srinagar Kashmir, Jammu - 180 010

Jharkhand
Room No.401, 4th Floor,
Commerce House, Sharda Babu Street,
Ranchi - 834 001, Jharkhand

Karnataka
No. 3, Connaught Road,
Off Queens Road,
Tasker Town, Bangalore - 560 052

Kerala
40/9650, Prabhu Tower, 1st Floor,
Opp Chennai Silks, M. G. Road North,
Ernakulam, Kerala - 682 035

Maharashtra
Plot No. 32/33, Phase 1,
Rajiv Gandhi InfoTech Park,
Hinjawadi, Pune - 411 057

Madhya Pradesh
30 Manav Niket, Indira Press Complex,
Near Dainik Bhaskar Press, M. P. Nagar,
Zone 1, Bhopal - 462 001, Madhya Pradesh

Mumbai
412, Janmabhoomi Chambers,
29, Walchand Hirachand Marg,
Ballard Estate, Mumbai - 400001,
Maharashtra

Orrisa
1st Floor Plot No. 760, M. J. Plaza,
Cuttack Road, Bhubaneswar - 751 009,
Orissa

Punjab
E-9 Phase VII, SAS Nagar, Industrial Area
Mohali - 160 055, Punjab

Rajasthan
312 to 319, 3rd Floor, Geetanjali Tower,
Civil Lines, Bombay Walon Ka Bagh,
Ajmer Road, Jaipur 302 006, Rajasthan

Rest of Tamilnadu
1168 SAM SURYA Towers, 2nd Floor,
4/5 Avinashi Road, P. N. Palayam,
Coimbatore 641 037

Tamilnadu
Old No. 34/1DL, New No. 403L,
7th Floor, Samson Tower's,
Panthcon Road, Egmore,
Chennai 600 008

Uttar Pradesh (East)
6A, 2nd Floor, Jeet Palace, Sapru Marg
Hazaratganj, Lucknow - 226 001,
Uttar Pradesh (East)

Uttar Pradesh (West)
1st Floor, Regalia Towers, 301/1,
Mangal Pandey Nagar, Near Kotak Mahindra
Bank, University Road, Meerut - 250 004
Uttar Pradesh (West)

West Bengal
Cimsys Tower, 3rd Floor, Y-13,
Plot-EP, Opp South City Pinnacle, Sector V,
Salt Lake, Kolkata - 700 091

Impossible is just a big word thrown around by small men who find it easier to live in the world they've been given than to explore the power they have to change it. Impossible is not a fact. It's an opinion. Impossible is not a declaration. It's a dare. Impossible is potential. Impossible is temporary. Impossible is nothing.

- John Maxwell.

INFRASTRUCTURE

GLOBAL Group Enterprise

GTL Infrastructure Limited

"Global Vision", 3rd Floor, Electronic Sadan-II, MIDC, TTC Industrial Area,
Mahape, Navi Mumbai - 400 710, Maharashtra, India.
Tel: +91 22 2767 3500 | Fax: + 91 22 2767 3666
CIN No. : L74210MH2004PLC144367

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concept, content and design at aicl [info@aicl.in]

INFRASTRUCTURE

GLOBAL Group Enterprise

NOTICE FOR AGM

NOTICE is hereby given that the Fourteenth (14th) Annual General Meeting of the Members of GTL Infrastructure Limited will be held on, Thursday, September 21, 2017, at 1.00 p.m., at Vishnudas Bhave Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400703, Maharashtra, India, 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. Charudatta K. Naik (DIN: 00225472), who retires by rotation and, being eligible offers himself for re-appointment.

3. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

   "**RESOLVED that** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the Audit Committee of the Board of Directors and further to resolution passed by the members in the 11th Annual General Meeting (AGM) held on September 16, 2014, the appointment of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (Firm Registration No. 101720W) and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai (Firm Registration No. 102489W) as the Joint Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the Fifteenth (15th) AGM to be held in the calendar year 2018 be and is hereby ratified and the Board of Directors be and is hereby authorized to fix remuneration payable to the Joint Auditors for the Financial Year 2017-18, as may be recommended by the Audit Committee in consultation with the Joint Auditors."

Special Business

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

   "**RESOLVED that** pursuant to the provisions of Sections 196, 197 of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, including any statutory modifications or re-enactment thereof, for the time being in force (hereafter referred to as the "Act") and all other applicable guidelines on managerial remunerations issued by the Central Government from time to time and subject to the approval of the Central Government, if required, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Milind K. Naik (DIN: 00276884) as a Whole-time Director of the Company for a period of three years with effect from July 21, 2017 on the terms and conditions as may be acceptable to the Board.

   RESOLVED FURTHER that the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances, perquisites and designation in such manner as may be agreed between the Board and Mr. Milind K. Naik within and in accordance with and subject to the limits prescribed in Schedule V to the Act, and if necessary, as may be stipulated by the Central Government and as may be agreed to between the Board and Mr. Milind K. Naik.

   RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to this resolution."

By Order of the Board of Directors

Place: Mumbai
Date: April 27, 2017

Nitesh A. Mhatre
Company Secretary

Registered Office:
"Global Vision", 3rd Floor, Electronic Sadan-II,
MIDC, TTC Industrial Area, Mahape,
Navi Mumbai - 400 710, Maharashtra, India.
Tel: +91 22 2767 3500 | **Fax:** + 91 22 2767 3666
Email: gilshares@gtlinfra.com | **Website:** www.gtlinfra.com
CIN: L74210MH2004PLC144367

GTL INFRASTRUCTURE

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 (forty-eight) hours before the commencement of the meeting i.e. by 1.00 p.m. on September 19, 2017. Proxies / authorisations submitted on behalf of body corporate, societies etc. must be supported by appropriate resolution / authority, as applicable.

   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 a proxy for any other person or member.

2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.

3. An Explanatory Statement pursuant to Section 102(1) of the Act, in respect of business under item No. 4 to be transacted at the 14th Annual General Meeting (AGM) is annexed hereto.

4. All documents referred in the accompanying Notice 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.

5. 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 through email / courier / post.

6. Members holding shares in physical form are requested to notify, any change in their name, address, e-mail address, Bank Account details, nominations, power of attorney, etc., to the Share Transfer Agent at GTL Limited-Investor Service Centre, Unit: GTL Infrastructure Ltd., 'Global Vision', Electronic Sadan No. II, M.I.D.C., T.T.C. Industrial Area, Mahape, Navi Mumbai - 400 710. Members holding shares in electronic form should update such details with their respective Depository Participants.

7. Members holding shares in physical form are requested to get their shares dematerialized by approaching their respective Depository Participants, if they are already operating a Demat Account. Members who have not yet opened a Demat Account are requested to open an account and dematerialize their shares, as the shares of the Company are compulsorily traded in electronic form. For any assistance or guidance for dematerialization, Members are requested to contact the Share Transfer Agent, GTL Limited or send an email to gilshares@gtlinfra.com.

8. 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. In order to minimize paper cost / work, members / investors are requested to forward their queries pertaining to Financial Statements and other Sections of Annual Report by e-mail to gilshares@gtlinfra.com.

9. The Company's Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Further, the Listing Fees in respect of Equity Shares of the Company have been paid to BSE and NSE for the Financial Year 2017-18. The Company's FCCBs are listed on Singapore Exchange Securities Trading Limited (SGX).

10. Members / proxies are requested to bring the attendance slips duly filled in and signed for attending the Annual General Meeting.

11. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

12. In keeping with provisions of the Act, and the Securities and Exchnage Board of India (Listing Obligation & 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 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 14th 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 (record 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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 company please enter the 16 digit member-id or folio number in the Dividend Bank details field as mentioned in instruction (v).

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 INFRASTRUCTURE 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 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. Chetan A. Joshi, a practicing Company Secretary (Membership No. FCS 7052, CP 7744) as the Scrutinizer for conducting the entire remote e-voting process/ballot process 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 / Whole-time Director or a person authorized by him in writing, who shall countersign the same.

19. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

20. The results declared along with the Scrutinizer's Report will be hosted on the Company's website at www.gtlinfra.com and on CDSL's website at www.evotingindia.com for information of the Members, besides being communicated to BSE and NSE, where the shares of the Company are listed.

21. The Route map showing direction to reach the venue is annexed.

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No: 4

The Board of Directors of the Company ("the Board") at its meeting held on April 27, 2017 has, subject to the approval of the Members and the Central Government, as may be required, re-appointed Mr. Milind K. Naik as Whole-time Director of the Company for a further period of 3 (three) years from expiry of his present term, which will expire on July 20, 2017, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to Mr. Milind K. Naik as Whole-time Director, in terms of the applicable provisions of the Companies Act, 2013 (the "Act").

The salient features of the terms and conditions of appointment of Mr. Milind K. Naik are as follows:

Sr. No.	Terms & Conditions	Mr. Milind K. Naik		
1.	Period	The appointment is effective from July 21, 2017 for a period of three years i.e. up to July 20, 2020.		
2.	Remuneration	Salary	:	Upto ₹ 1,050,000/- p.m. (₹ 12,600,000/- p.a.)
		Leave	:	As per Company Rules
		Other Benefits	:	As may be decided by the Board from time to time, subject to condition that the same shall be within the remuneration limit stated above.
		Other terms	:	The Company's contribution to Provident Fund or Group Gratuity or Annuity Fund to the extent not taxable under the Income Tax Act, Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of limits of the remuneration.
3.	Minimum Remuneration	Where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the appointees shall be paid the aforesaid remuneration as "Minimum Remuneration" in the respective financial year(s) not withstanding that the same may exceed the ceiling limit laid down under Section 197 and Schedule V to the Act, subject to the approval of the members of the company or the Central Government as the case may be, if required.		
4.	Modification in terms	The terms and conditions of the appointment may, subject to the conditions laid down in Schedule V of the Act, be altered and varied in such manner as may be agreed to between the Board and the appointees.		
5.	Termination	The agreement may be terminated by either party by giving three months notice or the Company paying three months remuneration in lieu of the notice.		
6.	Inspection	The Agreement entered into between the Company and appointee is open for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the Annual General Meeting.		

In terms of the requirements as per sub–clause (iv) of the proviso to Paragraph (1) of section II of Part II of Schedule V to the Act, the information is as furnished below:

Sr. No.		Particulars	Information
I		General Information	
	1.	Nature of Industry	GTL Infra, a Global Group Enterprise, is in the business of providing the Shared Telecom Tower Infrastructure services in India. GTL Infra is one of the leading independent telecom tower infrastructure providers that deploys, owns and manages telecom towers and communication structures for all wireless telecom operators.
	2.	Date or expected date of commencement of commercial production.	The Company is an existing Company and carrying out business for last about 12 years.
	3.	In case of a new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
	4.	Financial Performance based on given indicators	See table below
	5.	Foreign Investment or collaborators, if any.	Not Applicable

Amount ₹ in Lakhs

Share Capital	March 31, 2017	March 31, 2016	March 31, 2015
Equity	246,008	233,639	232,515
Reserves & Surplus	(251,721)	(214,551)	(187,897)
Total Income	96,703	93,043	62,310
Profit Before Tax	(30,212)	(60,539)	(51,471)
Profit After Tax	(30,212)	(60,539)	(51,471)

Note: Figures for FY 2016-17 and FY 2015-16 are as per Ind AS and for FY 2014-15 are as per IGAAP.

II	**Information about the Appointee**	
	1. Background details	Mr. Milind K. Naik, Whole-time Director has over 32 years of experience in the field of accounts, banking & finance, treasury operations, foreign exchange, telecom turnkey project implementation, manufacturing of steel structures for telecom, transmission, wind energy and infrastructure industries, R & D and manufacturing of energy management solutions (EMS) for telecom operator's, EPC in EMS & renewable energy, procurement & logistics, taxation and administration. In the past he has worked with Syndicate Bank, Bank of India and Saraswat Co-op. Bank Ltd before joining Global Group in 1984. Before joining the Company, he worked as a Managing Director of Global Towers Ltd., a Global Group Company. He has enormous experience within the country as well as abroad.
	2. Past Remuneration	Mr. Milind K. Naik was re-appointed as Whole-time Director w.e.f. July 21, 2014 and his last remuneration drawn was ₹ 0.50 Cr. p.a. The Company has made necessary application to the Central Government for payment of remuneration not exceeding ₹ 1.26 Crore p.a. to Mr. Milind K. Naik during his tenure of 3 years w.e.f. July 21, 2014, as approved by the Members at AGM held on September 16, 2014. Once the Company receives the approval from the Central Government, the Company shall compensate Mr. Milind K. Naik for his arrears accordingly.
	3. Recognition or awards	Mr. Naik has been awarded the 'Manufacturing Icon Award' for the FY 2010-11 from Stars of Industry Group in the Indian Innovation Summit 2011.
	4. Job profile & his suitability	Mr. Naik, as Whole-time Director of the Company will be in charge and responsible for business operations. Under his able leadership during last 6 years, the Company has turned around under adverse business conditions. Hence, the Board considers extending his services for further period of 3 years.
	5. Remuneration proposed	Details of the total remuneration which is proposed to be paid to Mr. Naik for the period of their appointment is set out above.
	6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The following are the particulars furnished by some of the telecom infrastructure companies for the Financial Year 2015-2016 under Section 197 (12) of the Companies Act, 2013 in their Annual Reports:

Sr. No.	Designation	Per annum Remuneration (₹ In Crore)
1	Chairman	8.84
2	Chief Executive Officer	2.83
3	Chief Operating Officer	2.83

	7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Apart from his employment and holding of 19,000 equity shares in the Company, Mr. Naik does not have any other pecuniary relationship with the Company or with any other managerial personnel.
III	**Other information**	
	1.Reasons of loss or inadequate profits.	The Company is in the business of providing passive shared infrastructure to various telecom operators. This is capital intensive in nature.
		Due to various adverse factors, which were beyond the control of the management, the Company underwent corporate debt restructuring in 2011. Following the implementation of the CDR package, the Indian telecom sector was fraught with legal, financial, and operational issues largely on account of: the cancellation of 2G licenses by the Supreme Court of India; scaling down operations due to difficult industry conditions resulting in lower than expected investment by telecom operators; a slow uptake of 3G services; and a delayed rollout of broadband wireless access ('BWA') network. Consequently, there was limited capital expansion by telecom operators, which had an adverse impact on telecom infrastructure providers. Further, cancellation of RoFR by Aircel group aggravated the financial problems for the Company. These developments adversely impacted the Company's ability to achieve its CDR projections and have had an adverse impact on the financial performance of the Company.

GTL INFRASTRUCTURE

	2. Steps taken or proposed to be taken for improvement	**Improvement in Network Uptime:** The Company has been consistently working to improve network uptime keeping in mind customer's requirements. The Company has formed various teams to track network performance and take necessary measures to control network outages by investing in new equipments and network support services via Network Operating Centre (N.O.C).. **Increase in Revenue:** Despite volatile market dynamics and merger of telecom operators (customers of the Company), the dedicated efforts taken to improve network infrastructure and network uptime help the Company to add tenants and improve its tenancy ratio. The Company has also re-vamped its delivery model by offering quick turnaround times for bringing new tenants online. The tower tenancy of the Company along with Chennai Network Infrastructure Limited has net growth from 40,261 tenants in FY 14-15 to 50,845 tenants in FY 16-17 registering a growth of 26%. **Cost Optimization:** The Company has undertaken network cost optimization initiatives over the last few years and has substantially reduced infrastructure operation & maintenance cost (net) mainly in the areas of security power, fuel & maintenance charges without affecting network quality. **Strategic Debt Restructuring:** On recommendation of the management, the lenders invoked SDR scheme for the Company, this helped the Company to reduce its debt burden, thereby reduction in interest cost.
	3. Expected increase in productivity and profits in measurable terms	As a result of increase in revenue, optimization of cost and reduction in interest, the EBIDTA of the Company will also further improve and bring efficiency in the network performance.
IV	Disclosures	The shareholders of the Company have been informed of the proposed remuneration package of Mr. Naik in the explanatory statement for item no. 4 of the Notice of 14th Annual General Meeting. Disclosure on remuneration package to the Directors of the Company including details of Stock Options, if any, issued by the Company, pension etc. have been made in the Corporate Governance Report which forms a part of the Report of the Board of Directors in the Annual Report of the Company for FY 2016-17.

By Order of the Board of Directors

Place: Mumbai
Date: April 27, 2017

Nitesh A. Mhatre
Company Secretary

Registered Office:
"Global Vision", 3rd Floor, Electronic Sadan-II,
MIDC, TTC Industrial Area, Mahape,
Navi Mumbai - 400 710, Maharashtra, India.
Tel: +91 22 2767 3500 | **Fax:** + 91 22 2767 3666
Email: gilshares@gtlinfra.com | **Website**: www.gtlinfra.com
CIN: L74210MH2004PLC144367

GTL INFRASTRUCTURE LIMITED

Regd. Office: "Global Vision", 3rd Floor, Electronic Sadan No.-II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai - 400 710, Maharashtra, India. **Tel:** +91 22 2767 3500 **Fax:** +91 22 2767 3666
E-mail: gilshares@gtlinfra.com | **Website**: www.gtlinfra.com | **CIN:** L74210MH2004PLC144367

GTL INFRASTRUCTURE

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 Fourteenth (14th) Annual General Meeting of the Company being held on Thursday, September 21, 2017, at 1.00 p.m. at Vishnudas Bhave Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400703, Maharashtra, India.

....
Name of the attending Member / Proxyholder*

....
Member's / Proxyholder's* Signature

GLOBAL Group Enterprise

* Strike out whichever is not applicable

GTL INFRASTRUCTURE LIMITED

Regd. Office: "Global Vision", 3rd Floor, Electronic Sadan No.-II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai - 400 710, Maharashtra, India. **Tel:** +91 22 2767 3500 **Fax:** +91 22 2767 3666
E-mail: gilshares@gtlinfra.com | **Website**: www.gtlinfra.com | **CIN:** L74210MH2004PLC144367

GTL INFRASTRUCTURE

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:..

E-mail Id:...

Folio No / DP ID & Client ID:...

I / We, being the member(s) of GTL Infrastructure Limited holding .... shares, hereby appoint,

1. Name: ....

   Address: ....

   E-mail Id: .... Signature ...., or failing him

2. Name: ....

   Address: ....

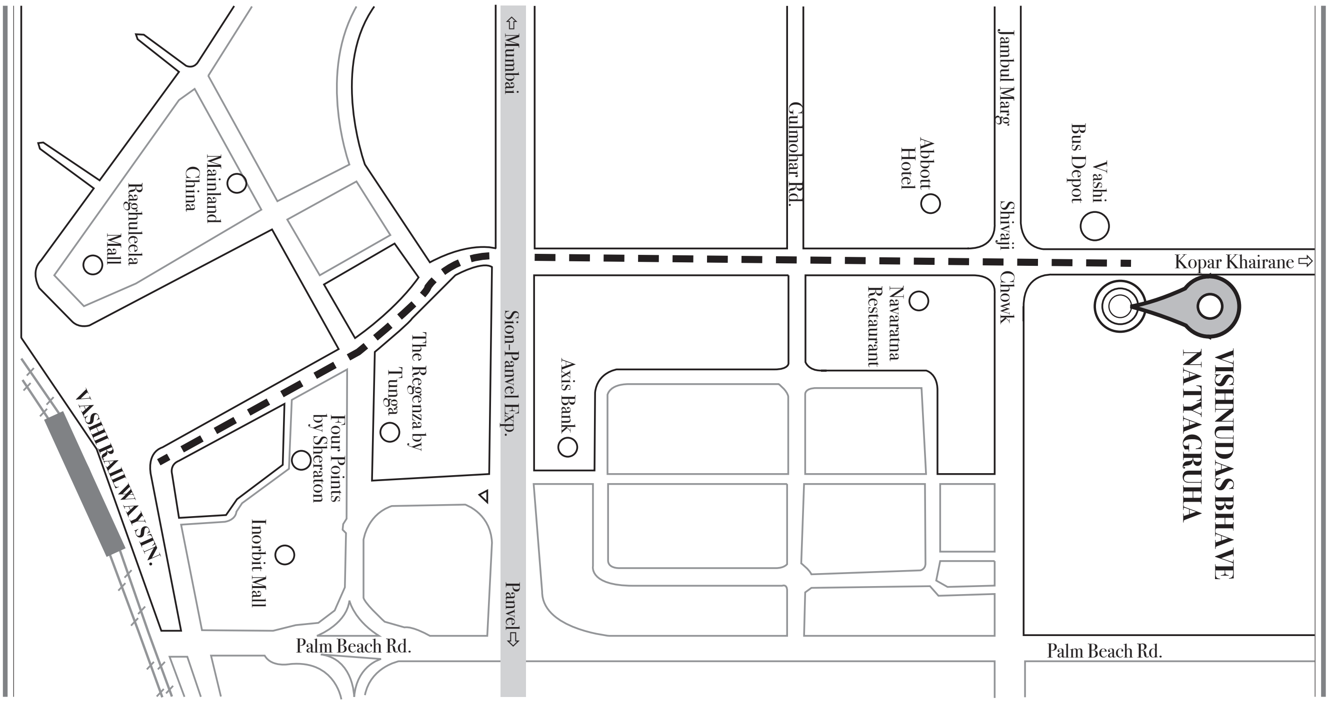
   E-mail Id: .... Signature ...., or failing him

3. Name: ....

   Address: ....

   E-mail Id: .... Signature ....

Route Map to the Venue of 14th AGM



as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Fourteenth (14th) Annual General Meeting of the members of the Company, to be held on Thursday, September 21, 2017, at 1.00 p.m. at Vishnudas Bhave Natyagruha, Sector 16-A, Vashi, Navi Mumbai 400 703, Maharashtra, India 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 together with the Reports of the Board of Directors and Auditors thereon.

2. Appointment of Mr. Charudatta K. Naik (DIN: 00225472) as a Director of the Company, who retires by rotation and is eligible for re-appointment.

3. Ratification of appointment of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (FR No.101720W) and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai (FR No.102489W) as the Joint Auditors and fixing their remuneration.

4. Appointment of Mr. Milind K. Naik (DIN: 00276884) as a Whole-time Director of the Company

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.

Statement on Impact of Audit Qualifications
for the Financial Year ended March 31, 2017 on Standalone Financial Results
GTL Infrastructure Limited (the Company)

[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs.In Lacs)
	1.	Turnover / Total income (Including Other Income)	96,703	Refer 'Details of Audit Qualification below'
	2.	Total Expenditure	126,915	-do-
	3.	Net Profit/(Loss)	(30,212)	-do-
	4.	Earnings Per Share (in Rs.)	(1.26)	-do-
	5.	Total Assets	544,424	-do-
	6.	Total Liabilities	550,137	-do-
	7.	Net Worth	(5,713)	-do-
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable

II. Audit Qualification (each audit qualification separately):

a.Details of Audit Qualification:

1. As mentioned in Note No. 7 to the statement, the Hon'ble Supreme Court of India held that "Mobile Telecommunication Tower" is a building and State can levy property tax on the same. Pending Special Leave Petition before the Hon'ble Supreme Court in this regard, other petitions of the Company before other appropriate Courts, non-receipt of demand notices for property tax in respect of majority of the Telecommunication Towers and also due to Company's right to recover such property tax amount from certain customers, the Company is unable to quantify the amount of property tax to be borne by it and accordingly has not made any provision for the same. We are unable to quantify the amount of the property tax, if any, to be accounted for and its consequential effects on the statement.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing
- Appeared First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not Applicable

	(ii) If management is unable to estimate the impact, reasons for the same: The Hon'ble Supreme Court vide its order dated December 16, 2016 upheld that "Mobile Telecommunication Tower" is a building and the State can levy property tax as envisaged in entry 49 of the list II of the seventh schedule of the Constitution of India, while deciding the Special Leave Petition (SLP) filed by various Municipal Corporations and the State of Gujarat against the order of the Divisional Bench of Gujarat High Court. Another SLP filed by one of the customers of the Company against the Corporation (in which an associate company of the Company is also a party) for the similar matter is still pending before the Hon'ble Supreme Court and is expected to be heard shortly. In respect of few sites where demand notices for property tax have been received, the Company has contested the demands in certain cases by filing writ petitions in appropriate Courts for the assessment of property tax demand / retrospective levy of property tax, procedure and quantum that have been demanded for in respect of which the Hon'ble High Court passed an order not to take any coercive action till the admission of matter. In respect of majority of the sites, the Company has so far not received any such demand. Further, as per the Master Service Agreements / Arrangements executed with certain customers the property tax if any, paid by the Company is to be recovered from them. In view of the pending matter before the Hon'ble Supreme Court and other courts, absence of any demand for majority of the towers and also the Company's right to recover the property tax amounts from certain customers, the Company is unable to quantify the amount of property tax, if any, to be borne by it and accordingly no provision for the same can be made at this stage and the same will be recognized as and when the matter is settled.
	(iii) Auditors' Comments on (i) & (ii) above: Refer "Basis for Qualified Opinion" in the Independent Auditors' Report dated April 27, 2017 on the Standalone Financial Results of the Company for the quarter & year ended March 31, 2017.

For GTL Infrastructure Limited

Milind Naik	**L.Y. Desai**	**N. Balasubramanian**
(Whole Time Director) (Din No. 00276884)	(Chief Financial Officer)	(Audit Committee Chairman) (Din No. 00288918)

GTL INFRASTRUCTURE LIMITED

MUMBAI

MUMBAI

Refer our Independent Auditor's Report dated April 27, 2017 on the Standalone Financial Results of the Company.

For Chaturvedi & Shah
Chartered Accountants
Firm Reg. No. 101720W

CA R. Koria
Partner
Membership No. 035629

Mumbai
Date: April 27, 2017

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

CA S. S. Yeolekar
Partner
Membership No. 036398

GTL

INFRASTRUCTURE

Statement on Impact of Audit Qualifications
for the Financial Year ended March 31, 2017 on Consolidated Financial Results
GTL Infrastructure Limited (the Holding Company)

[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lacs.)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs.In Lacs)
	1.	Turnover / Total income (Including Other Income)	96,703	Refer 'Details of Audit Qualification below'
	2.	Total Expenditure	126,919	-do-
	3.	Net Profit/(Loss)	(60,254)	-do-
	4.	Earnings Per Share (in Rs.)	(2.52)	-do-
	5.	Total Assets	407,293	-do-
	6.	Total Liabilities	550,138	-do-
	7.	Net Worth	(142,845)	-do-
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable

II. **Audit Qualification (each audit qualification separately):**

a.Details of Audit Qualification:

1. *As mentioned in Note No. 6 to the statement, the Hon'ble Supreme Court of India held that "Mobile Telecommunication Tower" is a building and State can levy property tax on the same. Pending Special Leave Petition before the Hon'ble Supreme Court in this regard, other petitions of the Holding Company and it associate before other appropriate Courts, non-receipt of demand notices for property tax in respect of majority of the Telecommunication Towers and also due to Holding Company and its associate's right to recover such property tax amount from certain customers, the Holding Company and its associate is unable to quantify the amount of property tax to be borne by it and accordingly has not made any provision for the same. We are unable to quantify the amount of the property tax, if any, to be accounted for and its consequential effects on the statement.*

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing
- Appeared First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

	(i) Management's estimation on the impact of audit qualification: Not Applicable
	(ii) If management is unable to estimate the impact, reasons for the same: The Hon'ble Supreme Court vide its order dated December 16, 2016 upheld that "Mobile Telecommunication Tower" is a building and the State can levy property tax as envisaged in entry 49 of the list II of the seventh schedule of the Constitution of India, while deciding the Special Leave Petition (SLP) filed by various Municipal Corporations and the State of Gujarat against the order of the Divisional Bench of Gujarat High Court. Another SLP filed by one of the customers of the Company against the Corporation (in which an associate company of the Company is also a party) for the similar matter is still pending before the Hon'ble Supreme Court and is expected to be heard shortly. In respect of few sites where demand notices for property tax have been received, the Company has contested the demands in certain cases by filing writ petitions in appropriate Courts for the assessment of property tax demand / retrospective levy of property tax, procedure and quantum that have been demanded for in respect of which the Hon'ble High Court passed an order not to take any coercive action till the admission of matter. In respect of majority of the sites, the Company has so far not received any such demand. Further, as per the Master Service Agreements / Arrangements executed with certain customers the property tax if any, paid by the Company is to be recovered from them. In view of the pending matter before the Hon'ble Supreme Court and other courts, absence of any demand for majority of the towers and also the Company's right to recover the property tax amounts from certain customers, the Company is unable to quantify the amount of property tax, if any, to be borne by it and accordingly no provision for the same can be made at this stage and the same will be recognized as and when the matter is settled.
	(iii) Auditors' Comments on (i) & (ii) above: Refer "Basis for Qualified Opinion" in the Independent Auditors' Report dated April 27, 2017 on the Consolidated Financial Results for the year ended March 31, 2017.
	Signatories:

For GTL Infrastructure Limited

Milind Naik (Whole Time Director) (Din No. 00276884)

L.Y. Desai (Chief Financial Officer)

N. Balasubramanian (Audit Committee Chairman) (Din No. 00288918)

Refer our Independent Auditors' Report dated April 27, 2017 on the Consolidated Financial Results of the Company.

For Chaturvedi & Shah
Chartered Accountants
Firm Reg. No. 101720W

CA R. Koria
Partner
Membership No. 035629

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

CA S. S. Yeolekar
Partner
Membership No. 036398

Mumbai
Date: April 27, 2017