

GIL/SE/REG30/2016-17/67

October 20, 2016

The Secretary
BSE Limited (BSE)
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Fort, Mumbai 400 001

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai 400 051

Scrip Code : 532775
Fax No. 2272 2037/2272 3719

Trading Symbol : GTLINFRA
Fax No. : 2659 8237/38

Dear Sirs,

Re: Update in respect of the debt restructuring of GTL Infrastructure Limited

Further to the disclosures made by GTL Infrastructure Limited ("**Company**") on September 19, 2016, it may be noted that the CDR lenders of the Company, at a meeting of the Joint Lender Forum ("**JLF**") held on September 20, 2016, have unanimously agreed to invoke the Strategic Debt Restructuring Scheme ("**SDR Scheme**") for the Company. The 'review and reference date' as prescribed by the Reserve Bank of India ("**RBI**") in extant guidelines is September 20, 2016. The SDR process is to be completed within a period of 210 days from the review and reference date. The Board of Directors of the Company ("**Board**") had, in its meeting held on September 19, 2016, also recommended the invocation and implementation of the SDR Scheme for the Company.

The SDR Scheme to be implemented by the Company envisages a conversion of the debt held by the lenders into equity so as to pare down the existing debt to more sustainable levels. The SDR Scheme also stipulates the induction of a new investor within a period of 18 months from the reference date.

Also, in the interest of absolute transparency, in the meeting of the Board on September 19, 2016, Mr. Manoj G. Tirodkar, the non-executive Chairman of the Company and the representative of the promoters on the Board, had informed the Board of the obligations owed by GTL Limited towards its own lenders, including the monetization of assets of GTL Limited. 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 be left to be decided by an independent committee of the Board. Mr. Tirodkar however said that he would of course continue to

support the process and the Board in his capacity as the Chairman of the Company and extended his full cooperation in this regard as may be necessary.

Accordingly, in keeping with the Company's and its managements' commitment to ensuring absolute transparency in the SDR process, the Board has at its meeting held on September 19, 2016, constituted a special Committee of Directors ("**Committee**") comprising of independent Directors to monitor and supervise the implementation of the SDR Scheme.

The Board, in its meeting held on October 20, 2016 discussed and decided the scope and role of the Committee, which is to ensure transparency in the SDR process to safe guard the interests of all stakeholders including the lenders and minority public shareholders. The Committee shall, among other things, **(i)** review the terms of the SDR package and make recommendations to the Board, **(ii)** oversee the process of obtaining shareholder approvals as required for implementation of the SDR Scheme, **(iii)** monitor the progress of the implementation of the SDR Scheme on a regular basis, **(iv)** supervise the investor induction process and work closely with the management in assessing the shortlisted bidders for recommending to the lenders, **(v)** to enhance the transparency of the process, consider inviting eminent persons with experience in the field of minority protection rights and financial investment to participate in the proceedings of the Committee from time to time.

The Board noted the recent guidelines issued by the RBI regarding the sale of stressed assets, which stipulate an open auction process for better price discovery. The Board 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 recommended the adoption of a transparent bidding process, for the identification of the proposed investor.

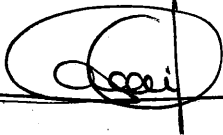
In terms of the CDR package of the Company and as per original sanction terms laid down by lenders, the Company is also to merge with its group company Chennai Network Infrastructure Limited ("**CNIL**"). At the aforesaid JLF meeting the lenders noted that such a merger would bring about synergies especially if the sustainable debt was reduced, on a combined basis and that the combined entity will unlock value to, **(i)** benefit the lenders, **(ii)** provide an attractive value proposition for a potential investor, particularly at a time when there is bound to be consolidation in the sector, **(iii)** benefit the minority shareholders, and **(iv)** the bond holders. The lenders therefore advised the Company to commence the merger process in parallel with the SDR process.

M/s. Ernst & Young ("E&Y") have been appointed jointly by the lenders and the Company to take forward the SDR process and the sale process and the merger (CNIL with the Company) process. Additionally, the management was also of the view that it would be appropriate to engage with specialized international investment banks with expert domain in the telecommunication infrastructure space. Accordingly, E&Y along with other existing and future advisors shall collaboratively drive the process of finding suitable investors as envisaged under the SDR process.

Further updates on the process will be provided in due course as and when the Board or the Committee convenes and decides on issues relating to the debt restructuring and imminent investor induction exercise.


Yours sincerely,

For GTL Infrastructure Limited



A handwritten signature in black ink, appearing to read 'Milind K. Naik', is written over a horizontal line.

Milind K. Naik
Whole time Director



A handwritten signature in black ink, appearing to read 'N.A. Mhatre', is written over a horizontal line.

Nitesh A. Mhatre
Company Secretary

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