5th Annual Report 2007 - 08

GLOBAL Group Enterprise

Lighting Hopes. Shaping Dreams.

GTL INFRASTRUCTURE

Creating Value through Shared Infrastructure

Lighting Hopes, Shaping Dreams.

Communication is power. And today it holds the key to the advancement of our rural populace. Whether its about staying connected to loved ones, or getting the latest price update of the agricultural produce, timely connectivity empowers each of us with technology. We endeavour to enhance rural economy by increasing regional teledensity with the help of our telecom expertise and technology. Our Towers located across semi-urban and rural India will help bringing in connectivity at affordable rates to the poorest sections of the society, creating a positive impact on the Indian Economy. It's apt to say, we are shaping a dream tomorrow for the rural India .

Corporate Information

BOARD OF DIRECTORS

Tirodkar, Manoj G.	Chairman
Balasubramanian, N.	Vice Chairman
Ranjalkar, Prakash	Whole-time Director
Dawra, S. S.	Director
Desai, Gajanan V.	Director
Dr. Patkar, Anand	Director
Kulkarni, Vivek	Director
Naik, Charudatta	Director
Pathak, Vishwas	Director
Samant, Prakash	Director
Vaidya, Deepak	Director

COMPANY SECRETARY

Gunasingh, D. S.

REGISTERED OFFICE

GTL Infrastructure Limited
Electronic Sadan I, MIDC, TTC Industrial Area,
Mahape, Navi Mumbai 400 710.
Website: www.gtlinfra.com
Tel: +91 22 3911 2300 Fax: +91 22 3911 2326

AUDITORS

Bansi S. Mehta & Company, Chartered Accountants

BANKS / INSTITUTIONS

Andhra Bank	Indian Bank
Bank of Baroda	Indian Overseas Bank
Bank of India	Oriental Bank of Commerce
Corporation Bank	Punjab National Bank
DEG, Germany	UCO Bank
Dena Bank	Union Bank of India
HDFC Bank Ltd.	
ICICI Bank Ltd.	

For more information contact:
Pinakin Gandhi
+91-22-2271 5000 (ext. 308)
ir@gtlinfra.com


GTL
INFRASTRUCTURE

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When we started our business in the year 2005, Passive Telecom Infrastructure Sharing was a new concept in the Indian Telecom Industry. Today, when the concept has been well accepted by all the Wireless Telecom Operators, our objective is to enhance the value offering to the Operators and be much more than a mere tower company. Our vision is to provide better connectivity experience to users and bridge the digital divide between rural (Tele density 8%) and urban (Tele density 62%) India. As the Operators touch the peak of their capex cycle we would like to complement their efforts by rolling out Tower / Cell sites network on Pan-India basis.

Industry Outlook

The Indian telecommunication industry has registered a growth of 46% over last year, to touch a subscriber base of 301 Mn by March 2008. Class B & C circles have contributed majorly to this growth. During the year, 5 new companies and 4 existing operators secured new licences to offer telecom services. The first phase of roll out for the new players is likely to be in Metros and Class A Circles.

The mobile phone prices and tariffs are falling sharply, with prices for some models falling below US$ 50. More and more players are being awarded with licenses for providing the Network Services. This has led to an increase in the number of subscribers in the rural and semi urban areas. We believe this trend is likely to continue even in future.

The industry is likely to experience the emergence of newer technologies like 3G and WiMAX. This would lead to growth in data traffic, leading to further increase in infrastructure requirements by the Operators.

As the the Wireless Operators want to address the available opportunities and penetrate the rural markets, their key concerns are on two fronts:

Financial

With the low tariffs and Minutes of Usage (MOU) in rural India, pay back period is very high and Return on Capital deployed on Telecom Infrastructure is very low for Wireless Operators. In addition to this, recurring expenses of Operations & Maintenance and Energy are putting tremendous pressure on operating margins of the Wireless Operator's business model. Given the poor power availability, especially in rural India, energy expenses alone are equal to the provisioning fees paid by Wireless Operators in the Shared Infrastructure model.

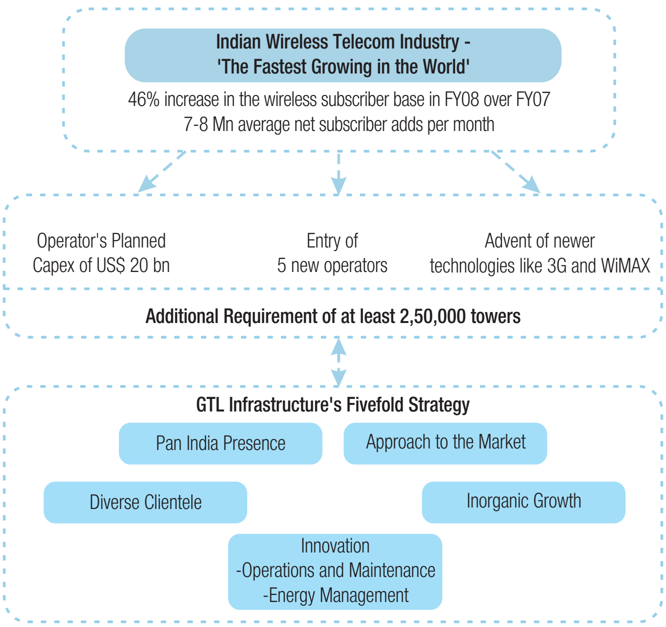
Operational

Setting up Telecom Infrastructure in rural India throws up a different set of challenge in terms of managing logistics and getting the local approvals. However the biggest challenge is day to day operations and maintenance of the infrastructure at reasonable costs. This is currently the biggest pain point for the Wireless Operators and Shared Infrastructure addresses this substantially.

Given the challenges, we believe that Shared Infrastructure is a necessity for the Wireless Telecom Operators.

In the coming years, almost 70% of mobile voice calls and a similar portion of mobile data usage in India are expected to originate inside the buildings. However, users are experiencing poor connectivity inside the buildings. We see this as a major opportunity and are likely to wire atleast 700 major buildings in metros by deploying In-Building solutions (IBS).

The entry of new Operators will create an opportunity for us in the metros. The implementation of TRAI's (Telecom Regulatory Authority of India) recommendation on Mobile Number Portability (MNP) will force the existing Operators to focus more on improving quality of network and providing better connectivity to their existing customer base. This will add



to the demand for Telecom Infrastructure in metros.

Given the massive growth in the Telecom market, the operators are likely to outsource their Network Operating Center (NOC), Data Centers and Call Centers to focus on their core business. We are focusing on leveraging this opportunity by providing Network Infrastructure on a shared basis to the Operators and Enterprises.

Business Highlights

- Revenue for the year stood at Rs.124.58 Crores (US$ 31.14 Mn)
- EBITDA Margin of 51%
- No.of towers increased from 1,200 to 6,010
- Master Service Agreement with 6 National level Operators and 1 Regional level Operator
- Won 421 sites under Department of Telecom's (DOT) Universal Service Obligation Initiative

Strategy Elements

We have a vision of setting up a Pan-India Passive Infrastructure Network of 23,700 towers across all 22 telecom circles. Our business strategy has enabled us to retain constant focus despite the industry facing several macro and micro level changes during the year. The business strategy comprises of the following key elements:

Approach to the Market

We have adopted a dual approach of rolling out Proactive sites along with Built to Suit sites. Our Radio Frequency (RF) Planning Team has rich experience and domain knowledge, enabling us to identify the right locations for setting up Proactive cell sites. This approach provides an upfront advantage in terms of early presence at several locations, where the Operators are expected to expand their network. Build to Suit sites are built as per Operator's requirement after assessing sharing potential.

Pan-India Presence

We are currently present in 15 out of the 22 telecom circles. Majority of our sites are currently located in Class B & C circles that have registered higher growth in wireless subscriber base in the range of 11-13%. As against this, the Telecom Infrastructure in these areas is scarce. Moving forward, the entry of new Wireless Telecom Operators will create a need for Passive Telecom Infrastructure in metros and urban areas. Given this, we believe a Pan-India presence will give us the competitive advantage.

Innovation

Fuel and energy costs constitute a large proportion of the opex incurred by the Operators in operating and maintaining a cell site. As the Network expands, inaccessibility of locations and irregularities in power supply act as a major hindrance for the Operators in providing seamless connectivity.

We are in the process of incorporating advanced energy management solutions at our cell sites, resulting in significant cost savings in the power and fuel charges for the Operators. This step enables us to make innovation a way of life in the Company.

Diverse Clientele

We have actively worked towards ensuring that our clientele is diverse and that the revenues are not largely skewed towards a single customer. Currently we are serving all the major GSM Wireless Operators on our cell sites.

Inorganic Growth

We will address inorganic opportunities of acquiring tower portfolios from Wireless Operators or other tower companies in India as well as abroad, if it fits into our strategic criteria. The criteria comprises of the network footprint, capacity of the towers, the sharing potential of the towers, future roll out commitments, the existing occupancy and the expected valuation per tower. Such consolidation may also provide us with access to metros and Class A Circles and enable strengthening our foothold in these areas. The Company expects financial and operational synergies to emerge from such acquisitions. We have signed Memorandum of Understanding with Infrastructure Development & Finance Company (IDFC) Project Equity Company Ltd. to form a Special Purpose Vehicle (SPV) to address some of the acquisition opportunities in India.

Financial Planning

Our business plan is to expand our tower portfolio from 6,010 towers as of today to 23,700 cell sites in the next 3-4 years across 22 circles all over India. This will require a capex spending of approximately Rs. 7,265 Crores (US$ 1.81 Bn). We are fully funded to execute our plans and have raised the funds in the following manner.

- During the year, the Company raised Rs. 336.29 Crores (US$ 83.86 Mn) through 1:1 Rights Issue at par to all existing shareholders. Post the Rights Issue our Equity Capital base has increased to that extent

- To demonstrate my faith in the business, I have committed to invest Rs. 670 Crores (US$ 167.50 Mn) in the form of warrants, out of the total issue size of Rs. 1,055 Crores (US$ 264 Mn). IDFC and Technology Infrastructure Limited (TIL) were the other participants in the warrant issue. I have to date, paid Rs. 194.59 Crores (US$ 48.65 Mn) out of Rs. 670 Crores (US$ 167.50 Mn) committed.

- We also issued Zero Coupon Foreign Currency Convertible Bonds (FCCBs) amounting to Rs. 1,179 Crores (US$ 300 Mn). It attracted good investor interest, as we received applications from 93 global investors and the issue was oversubscribed by 4.4 times. The fund raised will not only enable us in global sourcing of towers, related components and global acquisitions, but will also help to lower the interest cost burden

- The Indian banks and Institutions have also shown faith in our business model by sanctioning an aggregate debt of Rs. 4,945 Crores (US$ 1.23 Bn)

We believe we are fully funded for our organic growth. However in the future we might also look at inorganic growth opportunities. In such a situation, we may go for additional fund raising by way of equity, quasi equity and/or debt.

Challenges

Although the Wireless Telecom sector is witnessing huge growth we need to address the following challenges.

Speed of Tower Rollouts

The demand for Telecom Infrastructure is likely to stabilise after 2011-12. Hence the speed of rollout would be critical in order to meet the Operators' demand for infrastructure during this period. We believe that site acquisition, clearance from regulatory authorities, supply chain and logistics management will be the key challenges for the rollout of sites on Pan-India basis. To address these issues we have set-up separate teams for site acquisition and regulatory clearances. We are also in the process of tying up with major suppliers in Thailand, Malaysia and China to source our major site components. We have setup warehousing facilities in Pune and Kolkata for the regular supply of Towers and related components to different places across the Country.

Letter To Shareowners

Emergence of Operator driven Tower Companies

Emergence of Operator driven tower companies commenced with Reliance Communications hiving off its tower assets to form Reliance Infratel. Also during the year the three major Indian operators - Bharti, Idea and Vodafone announced formation of 'Indus' to hold their existing tower assets in 16 telecom circles across the Country. The remaining portfoilio of Bharti in the other 6 circles would be held by Bharti Infratel, a tower Company owned by Bharti.

These operator driven tower Companies own sizeable tower portfolios and have the advantage of having at least one user on all the cell sites they own. We believe that operators are unlocking shareholders value through these tower Companies. As we are rolling out Greenfield sites in those network locations, where no other tower is present, their existing towers will have negligible effect on our business.

India will require atleast 250,000 new towers over the next 3-4 years, and we are targeting around 8-10% of the total market share. We believe our focus on Operations & Maintenance and Energy Management will complement the Operator's efforts to minimize operational expenditure.

People and Culture

A common culture flows through the entire Global Group, wherein our employees value persistence and focus, while they plan and execute projects. They are empowered to handle operations independently at the circle level, as they have a better understanding of the ground realities in a particular region.

Our constant endeavour is to build a culture where a common vision is shared by every employee irrespective of the level at which he belongs to in the organizational hierarchy.

We regard learning as a continuous process, because, the knowledge that our resource pool possesses differentiates us from others in the industry. We have developed a training facility at Pune to impart training on Project Management and Site Maintenance of Telecom Infrastructure.

Our success in delivering value to our customers is driven by our ability to attract & retain talent within the organization. We have developed performance-based incentives and Equity Stock Option Scheme (ESOS) to motivate our employees and enable them to participate in the Company's growth.

Processes

We would continue to invest prudently in our Information Technology systems and business processes, both in our operational units as well as our corporate functions. We have introduced digitization of site records and an online Site Locator, a step towards creating a world-class organization.

We recommit ourselves to our objective of adding value to our customers by reducing the lead-time of readying the cell site for installation of active infrastructure. We are also working on innovative energy management solutions, to help them control their opex cost and create a cleaner and greener environment. We believe such efforts are necessary to elevate our relationship with each customer from service provider to that of being their business partner.

Awards

Our Company was awarded the 'Top Independent Infrastructure Provider' Award by Voice and Data, a leading Telecom publication in 2007. We also received 'The Best Shared Infrastructure Provider' Award by Tele.net in February 2008. The efforts of the Company to excel in its business are being acknowledged and appreciated across the industry, in its first year of commercial operations.

Way Ahead

We continue to be in a strong wireless growth environment. With our presence across 22 circles, we will provide our tower portfolio to existing wireless telecom operators and new players who have been given licenses.

WiMAX, 3G and In-Building Solutions would be the high growth areas in the near future and are expected to drive the demand for infrastructure. We have undertaken pilot projects in the areas of WiMAX and In-Building Solutions and plan to expand further in the coming year.

Our near term goal will be to grow our tower portfolio and increase the occupancy on these sites. I see an exciting future for our Company. Our management team and employees are fully dedicated to delivering the performance that you expect consistently and reliably.

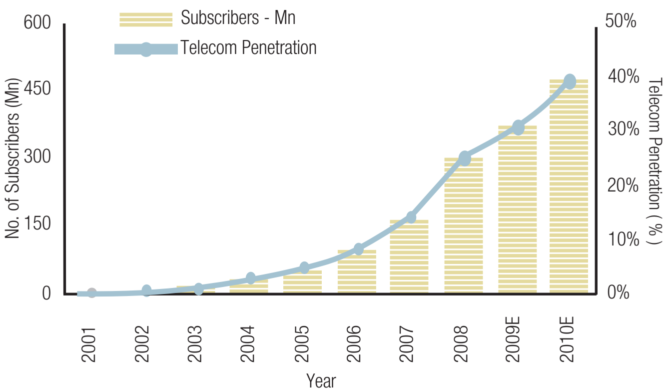
I would like to thank you for the support and faith in us and look forward to a fruitful relationship for years to come.

Place : Mumbai — Manoj G. Tirodkar
Date : April 18, 2008 — Chairman

"The spurt in rural Telecom growth has made a significant difference to each of us, by bridging communication divide between urban and rural India."

The Indian Telecom Tower Sector

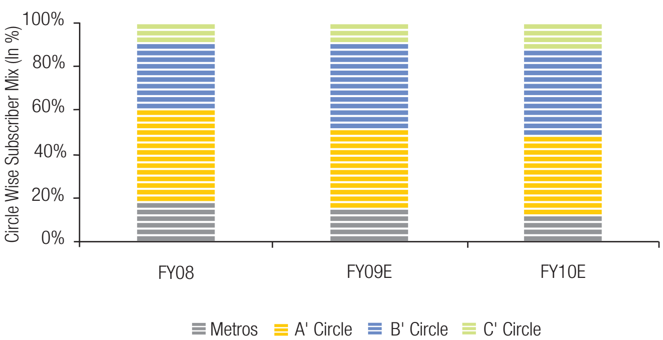
The emergence and development of the telecom tower industry in India is driven by the robust growth that is being witnessed by the Indian telecommunication sector. With a subscriber base of 301 Mn as of March 2008 and a teledensity of 26%, India is regarded as one of the fastest growing telecom markets in the world.



Source : AUSPI, COAI, TRAI, Motilal Oswal Securities reports

During the year, the Telecom subscriber base in India registered a y-o-y growth of 46%. The circle wise subscriber mix in percentage is illustrated in the chart below. The industry reports state that, the subscriber base and the penetration levels are likely to increase at the same pace for the next two years and from thereon the pace of growth might stabilize.

Growing Contribution from Class B & Class C Circles



Source: AUSPI, COAI, TRAI, Motilal Oswal Securities Reports

In order to support and service this anticipated growth in demand, the Wireless Operators in India have announced massive investments to strengthen the current infrastructure. The investments would be towards 2G centric voice services and next generation mobile phone technologies such as 3G and Mobile WiMAX.

The factors that have contributed to the increase in the demand for Passive Infrastructure are discussed as below:

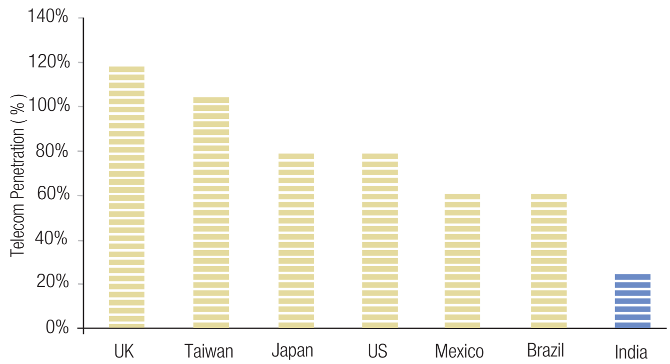
Drivers for Passive Infrastructure

Lower Telecom Penetration and Growing Minutes of Usage

The overall average penetration at 26% and the rural penetration at 8% in India still lags behind many of the developing nations. With an addition of 7-8 Mn subscribers per month, the penetration levels are rising. Simultaneously, even the Minutes of Usage (MOU) have increased. The usage of data services, mainly Short Message Service (SMS) and Multi-Media Message Service (MMS) has also witnessed an upward trend, further increasing the network usage.

Adequate Telecom Infrastructure is required to service this increasing demand in existing areas and cover newer areas from where subscriber growth is anticipated. The demand supply mismatch would drive the demand for additional towers in all the circles.

Country Wise Telecom Penetration



Source: MacQuarie Research, March 2008

From the current level of 26% the penetration levels have been projected to increase to around 50% by 2013 and from there on the growth in penetration is likely to stabilize.

Presence of Multiple Operators

Currently, there are 5-6 Operators in all the 22 telecom circles. During the year, the government allocated start-up spectrum to all license winners awaiting spectrum. These include Aircel (14 circles), Idea (2 circles), RCOM (14 circles) and Vodafone (6 circles). RCOM and Tata Teleservices have been permitted to operate on both GSM and CDMA technology in all the circles. In addition to this, in the month of January 2008, a total of 121 Letter of Intents (LoIs) were issued. Of these, 4 Operators received licenses on a Pan-India basis and the details are as given in the table below:

With the entry of atleast 4 new players in almost all Telecom circles over the next one year, the intensity of competition in the space is set to rise. The new entrants will not only target new subscribers, but also the existing subscribers of incumbent Operators (current high subscribers churn rate of 3.5% per month provides enough opportunity). In order to roll out services as well as to provide better coverage and service, the existing Operators would require additional sites, thus driving the demand for additional infrastructure.

Emergence of New Technologies

To augment their current offerings, major national Operators have announced aggressive plans to rollout broadband, WiMAX and 3G services for its customers. So far, the issuance of additional spectrum has been the only impending issue for the rollout of these services. Recently the regulatory bodies have commenced discussions on vacating the defence spectrum in the range of 15-20 MHz per Telecom circle for 3G. Once the required spectrum is released, these technologies will offer incremental opportunities for the tower operators. Data offerings over mobile broadband, WiMAX, 3G technologies will require a greater density of cell sites than the traditional 2/2.5G cellular platforms creating additional demand for towers.

Details of LoI's issued in January 2008

	UNITECH	DATACOM	IDEA	S TEL	LOOP (ESSAR)	SHYAM TELELINK	SPICE	SWAN	TATA TELE	TOTAL
Delhi	✓	✓			✓	✓	✓	✓		6
Mumbai	✓	✓				✓		✓		4
Tamil Nadu (incl. Chennai)	✓	✓	✓		✓	✓		✓		6
Kolkata	✓	✓	✓		✓	✓				5
Maharashtra	✓	✓			✓	✓	✓	✓		6
Gujarat	✓	✓			✓	✓		✓		5
Andhra Pradesh	✓	✓			✓	✓	✓	✓		6
Karnataka	✓	✓	✓		✓	✓		✓		6
Kerala	✓	✓			✓	✓		✓		5
Punjab	✓	✓	✓		✓	✓		✓		6
Haryana	✓	✓			✓	✓	✓	✓		6
Uttar Pradesh (West)	✓	✓			✓	✓		✓		5
Uttar Pradesh (East)	✓	✓			✓	✓		✓		5
Rajasthan	✓	✓			✓			✓		4
Madhya Pradesh	✓	✓			✓	✓				4
West Bengal & Andaman Nicobar	✓	✓	✓		✓	✓				5
Himachal Pradesh	✓	✓		✓	✓	✓				5
Bihar	✓	✓		✓	✓	✓				5
Orissa	✓	✓	✓	✓	✓	✓				6
Assam	✓	✓	✓	✓	✓	✓			✓	7
North East	✓	✓	✓	✓	✓	✓			✓	7
Jammu & Kashmir	✓	✓	✓	✓	✓	✓			✓	7
TOTAL	**22**	**22**	**9**	**6**	**21**	**21**	**4**	**13**	**3**	**121**

Source: TRAI

Industry Structure and Development

Quality of Service (QoS) - A Key determinant

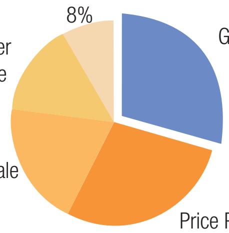
The Indian Wireless Telecom market has one of the lowest tariffs in the world. Thus the primary premise for competition among the Operators has shifted from service pricing to network quality, especially in the urban areas. Increase in the Telecom subscriber base in existing regions and spectrum crunch have created the challenge of maintaining the minimum level of Quality of Service (QoS) for Operators.

In a satisfaction survey conducted by Voice and Data, a leading Telecom Publication in April 2008, all the National Operators were below the TRAI recommended '90% satisfaction level'. Thus enhancing network quality has become a key issue for all the Operators. This reiterates the requirement of better coverage and in turn, demand for more cell sites.

The introduction of Mobile Number Portability (MNP) would enable mobile subscribers to change their service provider while retaining their subscriber number. Portability benefits subscribers and increases the level of competition between service providers. Operators who provide better customer service, network coverage, and service quality will have competitive advantage over long term.

In developed markets like USA, post the introduction of MNP, the subscriber churn rates have increased. The subscribers concern of change in their numbers, after changing their service provider got eliminated. The chart below states the reasons for change in service provider by subscribers in USA, post the introduction of MNP. The prime reason for change was 'Coverage Quality'.

Reason for switch in carrier



Source: Telephia, Macquarie Capital (USA), March 2008

Similar trend is likely to emerge even in India as we move towards a mature cellular market. The introduction of MNP is likely to coincide with GSM rollouts of operators who have been allocated start-up spectrum in January 2008. Thus in order to prevent subscriber churn, the operators will require additional infrastructure in their existing operational circles to offer better QoS.

It is therefore evident, that the telecom tower sector derives its demand from the growth in the telecommunication sector. All the above drivers indicate that a healthy demand for development of tower assets is likely to prevail in India at least for the next four years. An estimated demand for towers from the existing and new operators is stated in the table below:

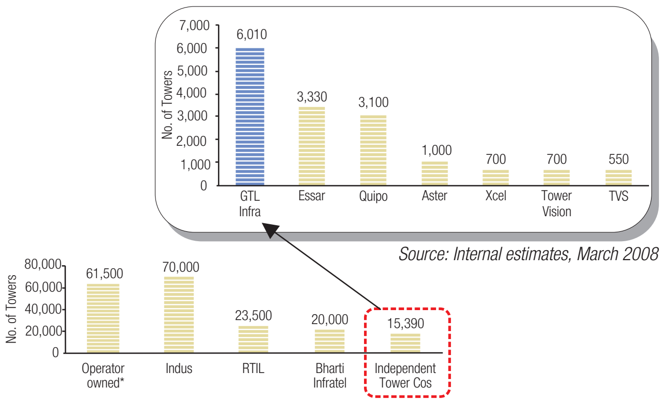
Demand for Cell Sites

(In '000)

Cell sites (2G)	FY08	FY09E	FY10E	FY11E	FY12E
Bharti	50	68	93	113	125
Idea	22	40	51	67	76
Vodafone	35	55	60	82	91
RCOM	30	44	79	90	96
Spice	3	4	6	8	9
Tata Teleservices	12	30	42	51	54
BSNL	35	56	78	102	117
MTNL	4	5	7	8	10
Aircel	6	12	20	29	38
New Operators	0	50	95	120	160
Total	**197**	**364**	**531**	**670**	**776**

Source: Internal estimates

However the telecom tower industry's focus is not only on providing ready Telecom Infrastructure to Wireless Telecom Operators but also increasing the occupancy of the towers to unlock the true benefits of sharing. In the present scenario, when the Wireless Telecom Operators have reached at the peak of their capex cycles, sharing of infrastructure allows them to control both their capex and opex. It ensures rational and effective utilization of the existing and future tower portfolio. The existing tower portfolio held by one of the independent telecom tower companies and the Operator driven tower companies are as below:



* Operator owned consist of tower portfolios of BSNL, MTNL, Tata Teleservices and Aircel

Source: Frost & Sullivan Research, January 2008

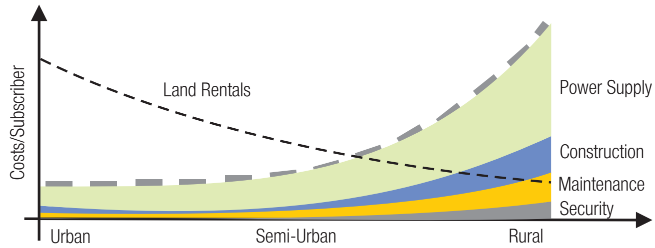
The Telecom Operators are likely to favour Shared Infrastructure as the means to reach out to a larger subscriber base, in a shorter span of time. At the macro level, the Indian regulator TRAI, has also latched on to the idea of Shared Infrastructure and is working intensively with the stakeholders to promote it. They are propagating the concept of sharing to enable planned development of Telecom Infrastructure in the country. Apart from the demand supply equation, the other factors that drive the demand for Shared Infrastructure are discussed below.

Drivers for Shared Passive Infrastructure

Shared Infrastructure addresses all the Operator concern areas and facilitates their growth plans and strategy. Shared Infrastructure offers a ready solution by controlling the expenditure incurred by the Operator on deploying and maintaining the Infrastructure. This helps the Operators to increase their market share in a cost effective way.

Expansion in Rural Areas

As part of their long term strategy, the Operators are continuously expanding their network footprint in semi urban and rural areas where nearly 70% of India's population resides. This causes cost optimization challenges for the Operators, further accentuated by low ARPU in the areas.



Source: IDFC-SSKI Industry report, Internal estimates

Network Congestion in Existing Areas

Growth in mobile subscriber base and increased MOU are putting immense pressure on the existing Telecom Networks of Wireless Operators. Limited spectrum availability and lack of Point of Interconnection is aggravating the problem of connectivity. Operators will have to share a comparatively higher number of sites and also deploy additional cell sites to take care of this problem.

Heavy Upfront Capital Expenditure

Deployment of Passive Infrastructure requires heavy upfront capital expenditure. However if the same infrastructure is shared by more than one Operator, then the capex saving per Operator is reduced by atleast to the extent of 25-40% of the total costs.

High Operating Expenditure per Site

The operating expenditure comprises of cost incurred on electricity, fuel, insurance, security and regular maintenance and upkeep. These expenditures also get shared when Operators share the Cell Sites resulting into savings of atleast 30-35% per Operator.

Government Initiatives

Government of India has taken initiatives to encourage Operators to share Passive Telecom Infrastructure. It has introduced the scheme of Mobile Operators Shared Towers (MOST) where 5-6 Operators will share Passive Infrastructure at key government areas, defence installations, ports and also near schools, colleges, and hospitals. The government has promoted the Shared Infrastructure to provide connectivity in remote rural areas through the Universal Service Obligation (USO) fund. Under this scheme, the government will provide subsidy for Passive Telecom infrastructure which will be shared by at least three operators.

USO Scheme : Key Details

	No. of Towers	Villages Covered	Population Covered (Mn)
Phase I	7,871	212,304	269
Phase II	11,049	242,866	276
Total	**18,920**	**455,170**	**545**

Source: DOT, Motilal Oswal Securities Reports

GTL Infra secured 421 Towers in the Phase I auction of 7,871 sites to be set up in the remote and rural areas. Preliminary discussions on the Phase II of USO auctions have already commenced.

Fundamentals Underlying the Tower Business Model

The economic life of the steel towers can be as long as 35-40 years, although the tower companies depreciate the tower in a considerably shorter timeframe which is usually 15-20 years. Thus, though the upfront investment is more, the longer life of the asset coupled with low maintenance Capex provides enough leeway to the tower companies in terms of getting the invested amount back with good returns.

Nature of Cash Flows

Once the cell site is erected and the Operators occupy it, the tower produces a steady, stable and growing stream of cash flows. The recurrence of cash flow stream is a function of long-term contracts with built-in revenue escalation clauses. This along with lower level of counter party risk, make future tower lease cash flows predictable.

The lower risk is on account of significant transaction and frictional costs for the Operator stemming from the high costs of relocation, network reconfiguration and interruptions to service. Thus the possibility of client churn or termination of contracts by the customers is low, due to high cost of exit. Tower Companies also have annual escalation clause of 2.5%-3.0% on revenue. This along with increase in occupancy helps to improve the top-line. The result is an annuity-like, growing stream of cash flows from each tower.

High Operating Leverage

The costs associated with operating the tower are largely fixed, with the incremental cost of additional towers largely determined by the Direct costs of Ground Leases, Maintenance, Utilities and Insurance. So as an additional user comes on to a tower, the incremental cost borne by the tower Company is minimal. This makes cost-base of tower companies highly leveragable.

Low Maintenance / Recurring Capital Expenditure

The recurring maintenance capex for towers is minimal and relatively fixed irrespective of occupancy. The main expenditures revolve around basic routine maintenance tasks such as visual inspections based on loading, location and structure, land lease, security of the towers. In addition to this, the expenses include touch-up of rust spots, painting, tower inspections and checking, replacement of battery back-up, DG sets and A/Cs once in 6-8 years.

High Barriers to Entry

The longer duration of the contracts, higher switching costs prohibiting client churn and the anticipated regulatory guidelines on zoning will be barriers to entry for newer players in the industry.

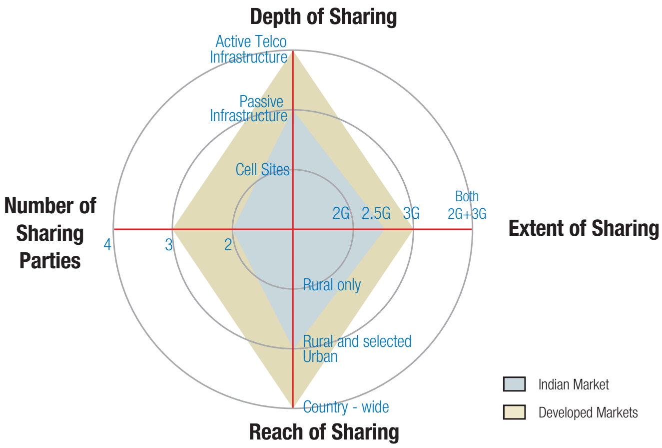
Future Trends

As the tower industry matures it is likely to witness the first wave of consolidation amongst the portfolio of regional level Operators and third party Independent tower companies. The second wave of consolidation may happen among third party independent tower companies. Gradually even larger tower companies may acquire the smaller tower companies. The operational synergies will arise from rationalization of cost structure of merged entities.

As the usage of mobile devices continues to grow and mobile technologies keep evolving, providing optimal in-building coverage and capacity is a challenge facing Wireless Operators. GTL Infra proposes to design, implement, upgrade and optimise in-building solutions to achieve optimal and cost-efficient indoor coverage and capacity for the Wireless Telecom Operators. WiMAX and Mobile TV are expected to further boost the demand for antenna space on tower, increasing the occupancy on towers.

Network sharing as a concept in India began with simple co-location of antennas and has now grown to include country-wide cell site sharing, potentially between all Wireless Telecom Operators in the country.

The diagram below explains the Network Sharing in India as against the developed market



Source: Industry reports

Depth of Sharing

One key issue in sharing of Telecom Infrastructure, is how infrastructure and equipment will be shared amongst the Wireless Telecom Operators. In India, Operators are increasingly adopting the concept of Passive Infrastructure Sharing to cut cost and provide quality network services to the end users at a reasonable cost. The cost of Passive Infrastructure components forms 65-70% of the cost incurred on setting up a Cell Site and its sharing helps Operators to cut cell sites capex cost by 25-40% and opex by around 30-35%. The most radical form of sharing is sharing of spectrum amongst the Operators on a nation-wide basis. TRAI has recommended sharing of active infrastructure components like antennas, feeder cables, nodes, radio access network, transmission systems and backhaul, with the exception of spectrum. Whereas in most of the countries it has already been allowed.

Technology Migration

Due to early introduction of 3G Networks, one of the first network-sharing deals was in Europe. 3G service demanded huge investment in Network Infrastructure rollout and sharing of infrastructure was a very effective way to bring down the cost for individual operators. India will witness a similar phenomenon in the near future to come, as the Operators prepare to offer high speed data services and roll out of full fledged 3G networks across major cities next year.

Reach of Sharing

Network Sharing is often considered for rural coverage, particularly if coverage requirements demand an economically viable build out. Nevertheless, full country-wide sharing is being increasingly considered as Operators seek more comprehensive sharing models and attempt to avoid the operational complexities of splitting a nationwide network into shared and non-shared networks.

Number of Sharing Parties

Currently, Passive Infrastructure Sharing between multiple operators is becoming a standard practice in India. Nevertheless, with the 3G build-out likely in future, the following trends are likely to emerge:

- Increase in Sharing in Metros and Class A cities
- Active Infrastructure sharing, initially through backhaul sharing

Issues and Concerns of Network Sharing

Nevertheless, network sharing amongst Operators through their tower companies or joint partnership will lead to following issue and concerns, which justify and prove the presence and importance of independent Tower Companies.

Consensus Building

Ultimately, every network sharing deal requires significant alignment and commitment between Operators who typically compete. Each Operator has its own unique network layout and typically tends to follow its own network expansion plan, independent to that of its sharing partner. Network sharing discussions often fail, even at very advanced stages in inter-operator sharing, because of differences in Network layout plans.

Scope of Network Sharing

Alignment on Operational Priorities and Targets

Sharing of network also entails significant effort to integrate operations and maintenance staff, especially when it involves working on different technological platforms and alignment on operational priorities like network simplification strategy and operational targets (e.g., mean time to repair). Lack of trust and understanding between the operators in the competitive environment makes the case strong for third party Tower Company business model.

Threat of Being Left Behind

Network sharing can create a sort of “prisoner's dilemma” in the marketplace. When it becomes apparent that multiple Operators are seriously expanding their reach through network-sharing arrangements, this places significant pressure on the remaining operators to adopt network sharing. Otherwise, they risk being isolated in the marketplace while being hampered by a disadvantageous cost position. These Operators prefer to go to third party independent Tower Companies as cartel formed by Operator owned tower companies act as a major roadblock in their expansion plan.

	Operator owned Tower Co.	JV between Operators	Third Party
Benefits to Operators	• Quick Set-up and savings because of existing operations	• Profit / Tax consolidation & control possible • Extension to additional shared and non-shared technologies (Access, Backhaul) • Exposure to best practices at lower costs	• Guaranteed savings • Set-up and transformation effort transferred to the tower company • Access to best practices (Including innovation) • Effortless extension to additional shared and non-core technology
Drawbacks	• Imbalance situation (confidentiality, governance) • Risk of not achieving cost savings • Cost structure migrates to the new company without any improvements • Risk of Negative impact on partnerships from operational topics	• Need for experience with service model structure • Set-up transformation effort (e.g. organizational) • Balancing the diverse requirements of the JV partners is a difficult task	• They are still in the establishment phase and would take responsibility of approximately 10% of the roll out • Dependency, loss of control on networks

India is one of the fastest growing Telecom markets in the world. It has a subscriber base of 301 Mn and a teledensity of 26% as on March 2008. An average of 7-8 Mn subscribers were added every month during the year FY 2007-08.

Sharing of Passive Infrastructure would emerge as a key factor contributing towards the growth of the Operators. GTL Infra thus facilitates the profitable operations of its clients by offering them the required infrastructure.

Operator Strategy

70% of the population residing in rural and semi urban areas are offering high growth potential.
Mobile Operators are offering services in these areas at comparatively lower prices to make the services affordable.

Improving the QoS and introducing new Value Added Services at affordable rates in mature circles or cities.

Revenue Implications

Lower Earnings

- Average Per minute call charges (Around Rs. 0.80 to Re.1 for outgoing calls)
- Average ARPUs (Around Rs. 270 p.m.)

Cost Implications

Cost constitutes of

- Operating expenditure - 17%
- Capital expenditures - 22%
- Remaining towards handset costs, marketing expenses, taxes and statutory fees.

Passive Infrastructure Sharing leads to savings to the extent of 30-35% in operating expenditures (opex) and 25-40% in capital expenditure (capex) for the Operators.

Source: Industry reports

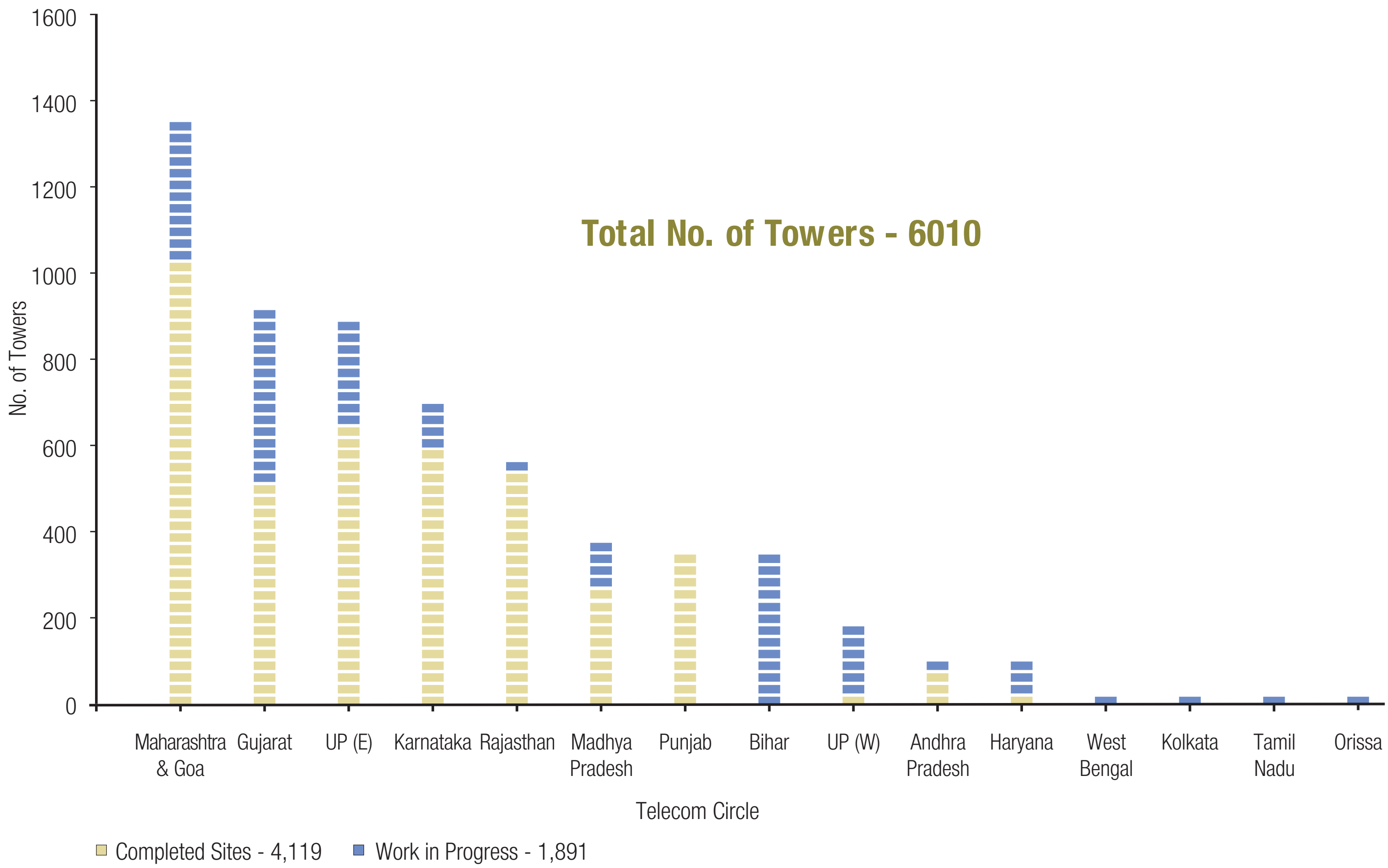
Operator Mapping

The pace of growth in mobile subscribers presents a huge growth potential and related set of associated challenges as Operators try to increase their customer base in existing areas and penetrate deeper into rural India. The revenue, cost and profitability elements for the operators are captured above.

Location and Tower Composition

The Company has around 6,010 sites on ground and under various stages of implementation.

GTL Infra is present in 15 circles. The circle wise break-up of numbers of Towers is as shown below:



The Company has setup offices in J&K and Assam and will start Tower Rollout in the coming months. Over 90% of GTL Infra's Tower portfolio comprises of Ground Based Towers (GBT) and the rest are Roof Top Towers (RTT) where the tower is mounted on the roof of the building.

There is a significant difference in the sharing potential of both the types of towers. An RTT site can accommodate upto 2-3 Operators whereas GBT site is capable of holding around 4-7 Operators. Around 90% of GTL Infra sites are capable of hosting at least 4 users. The site design incorporates the concept of modularity to keep the initial cost low. The operations team goes for phased increase of the modular components on a site by site basis, driven by the additional occupancy anticipated at the site.

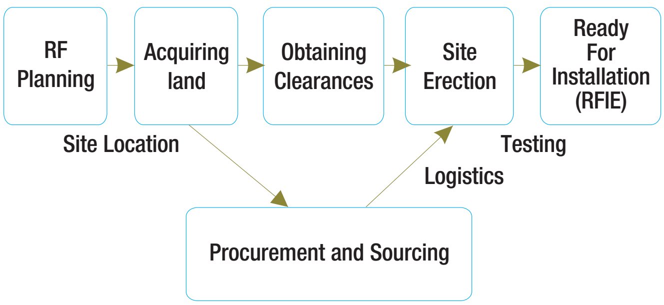
GTL Infra is also associated with some of the prestigious projects initiated by the Department of Telecommunications (DoT). The projects are aimed at extending mobile telephony to the rural masses through USO and improving the QoS in Metro and Class A cities through Mobile Operators Shared Towers (MOST) scheme. GTL Infra has emerged as a successful bidder for 421 locations as a part of phase I of USO project and is prepared to participate in Phase II of the project. Each of these towers will have atleast 3 Operators as users.

The Process

GTL Infra's greenfield rollout strategy comprises of 'Proactive' sites and 'Build to Suit' sites. Of these the latter are backed by an in hand service order received from the Operator/s. Such sites are analyzed for shareability before accepting the order from the Operator which ensures further occupancy on the site in the future.

The proactive sites are the sites which are built using sound RF planning techniques coupled with physical surveys targeting areas with no coverage, poor coverage or with severe capacity issues. Such sites are an attractive proposition for the Operators as they get ready to use infrastructure, ahead of their rollout plan, drastically reducing their time to market.

The site deployment process is a function of several activities which are undertaken before the site is ready to host active equipment.



The entire span of activities involved in site deployment are spread over an average time period of 75-80 days. Out of this, an average of 35-40 days are required for RF surveys, site acquisition and the remaining on site erection. A brief on some of the major stages in site deployment are mentioned as under:

RF Planning

RF Engineering is the first step where the engineering team determines the optimum location for the cell site. The main factors taken into consideration during RF Planning are:

- **Expansion**

  The additional cell site provides coverage to areas that are currently not under coverage, allowing the Operator to provide better service to both the new and existing subscribers.

- **Capacity**

  The tower site provides additional capacity to the mobile Operator to handle more calls in areas where existing networks are overloaded.

- **Quality**

  The tower fills in a coverage hole/black spot where customer calls suffer from frequent 'drop-outs' or poor call quality and poor service reliability.

GTL Infra has its own RF team that enables selection of the right spot.

Site Nominals (Candidates)

Once the location where a new cell tower or antenna site is identified, a search ring is created. It is in the form of nominals, which is actually the proposed location of the site depicted in the form of Global Positioning System (GPS) co-ordinates. The radius of this search ring varies depending upon the topography (gradient of the area), the demographics (where and what type of customer base) and other factors including whether the area is urban, suburban or rural in nature. The search ring is used to look for suitable land sites or buildings.

Acquiring Land

The candidate land sites are then surveyed to finalize the optimum plot of land or a suitable roof top for constructing the site based on the following broad parameters:

Ideal Dimensions to Suit the Standard Site Layout

The plot of land or the roof top being considered should meet the minimum dimension criteria set by the operations team. This is important as it can have an adverse affect on the layout of site components restricting access in some cases or delay in construction. Some of the criteria are as given below.

- **Site must have easy and inexpensive access,** typically from a public road

- **Ready availability of power preferred.** The cell sites should ideally be near a power source so that the task of obtaining an electricity connection becomes easy. However, this is only a deciding parameter in telecom circles with a good power availability scenario and urban areas

- **Encumbrance -** The property is free from any encumbrances and the party with which GTL Infra enters into a lease agreement should be the legitimate owner of the property
- **Budget -** The site must meet the budget allocated for site lease and any exceptions are dealt on a case to case basis

Obtaining Clearances, Procurement and Sourcing

Once a site meets the above criteria, the land owner of the site is engaged into negotiations to lease the site at acceptable rates. Once a land owner agrees on acceptable lease rates, the Company will verbally provide an initial lease rate offer. Post verbal agreement, the contract is signed.

Post land/roof top acquisition, the process of getting the requisite clearances and sourcing the materials and inputs starts simultaneously.

These clearances are obtained from the local bodies and regulatory authorities, before commencing the construction work on a site. The approval pertaining to the design of cell sites is taken only once and post that it can be applied to all the cell sites that will be rolled out in future. A considerable amount of co-ordinated efforts and resources are spent in obtaining these approvals.

Managing the logistics for sites located in rural and semi urban areas is another challenge which is managed by setting up regional warehouses to cut down the transportation time. The major components that are stocked include steel trusses (Towers), DG sets, shelters and batteries.

Parallel commencement of the processes help the company to start deployment as soon as the clearances are obtained.

Site Construction

The construction of the cell site is a well defined and engineered process involving skilled civil, electrical engineers and technicians. The major activities involve building the foundation for tower, shelter and installation and commissioning of shelter, DG and other equipments. A fence or boundary wall is also constructed around the site for the security of the site. After the site is ready in all aspects, it is inspected by the quality team. Post the quality check the site is declared as 'RFIE' (Ready for Installation of Equipment). Only after the site has been declared as 'RFIE', the operator is sent a notice to install its active equipments at the site.

In order to cut down the deployment process, several initiatives have been taken:

- **Alternative Sources of Procurement**

  To improve the sourcing and procurement function, alternative sources of procurement are being developed for Towers, DG sets, Shelters and Batteries. During the year the Company commenced Tower sourcing from China and is looking at some other South Eastern Asian countries for tying up with the vendors. The Company would be utilizing US$ 300 Mn (Rs. 1,200 Crores) raised through the FCCB inter alia for procuring towers and related accessories from the overseas market. This would have a dual impact by bringing cost effectiveness and by ensuring that there are no bottlenecks in the rollout.

- **Logistics Management**

  In the rural and semi urban locations, the infrastructure available is poor, leading to logistics related problems and costs. GTL Infra has deployed a regional rollout strategy and the Company maintains warehouses at the local level to stock materials. The two major warehouses are located in Pune for the Western Region and Kolkata for the North Eastern Region.

  The stocked quantity of components / materials are sufficient to cover shortages. The vendors often deliver straight to the warehouses thereby bringing down the transportation costs.

- **Site Documentation**

  GTL Infra has a Document Management System (DMS) which is a common pool of all the statutory documents and clearances for a site in digitised form. The physical copies are maintained at Pune for review and audits. However for easy access by the operational team and to develop a safe backup system in the event of the actual copy getting lost or tampered, scanning and saving in digital copy form is essential. It is linked to the Legal and Land System that has records of the necessary clearances required, the authorities to be approached, their respective locations and other details pertaining to the other steps of the process.

- **Site Locator**

  In order to provide better services to it's customers, GTL Infra has introduced a Site Locator on its website, offering a comprehensive list of cell sites completed or in different stages of execution. This web-based tool is designed to provide immediate assistance in identifying and locating the sites that fit into network requirements of operators. The users will be able to view detailed information on site specification, photos and locations of cell sites in a given location. This feature can also be used by landowners who wish to lease/sell a part of their land to GTL Infra for setting-up a cell site in the neighbouring areas of the present cell sites.

- **Training**

  A training cum Test Bed centre has been developed in Pune, where technical training is imparted to the employees engaged in onsite deployment. Along with this, they are also trained in soft skills and leadership to enhance their managerial skills. The Test Bed has virtual cell site, where the operational team can test the new services and products that the company plans to offer under controlled conditions. This helps in assessing the operational and commercial viability before launching the service.

Apart from these, the Company has deployed IT tools for costing and customer relations. In the coming year, the company would move ahead with integrating these modules with each other.

Customers

The Company has entered into Master Service Agreements (MSA) for a term ranging between 10-15 years with most of the major cellular Operators in India. The Company's customers include India's Top 4 GSM Operators.

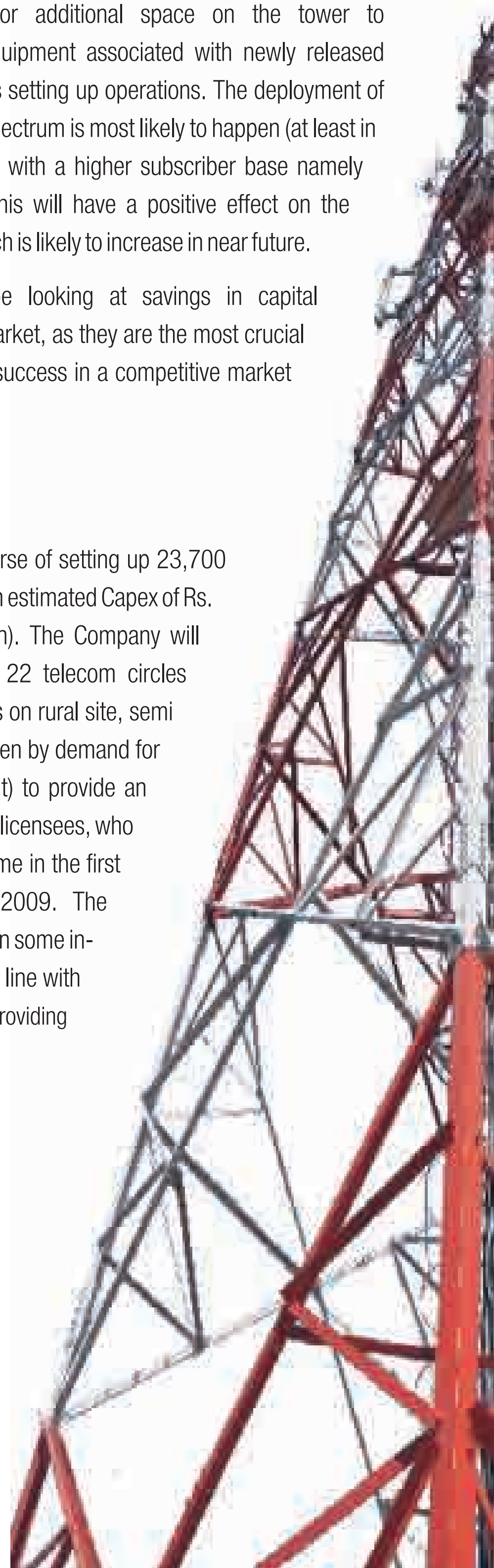
The Company has a diversified user base with the top 3 customers generating almost equivalent revenue streams. This further strengthens GTL Infra as a neutral passive infrastructure provider.

Growth opportunities will arise from the ability of the Company to take advantage of the need for additional space on the tower to accommodate additional equipment associated with newly released spectrum and new operators setting up operations. The deployment of new networks utilizing this spectrum is most likely to happen (at least in the short term) in the areas with a higher subscriber base namely metros and urban areas. This will have a positive effect on the demand for rooftop sites which is likely to increase in near future.

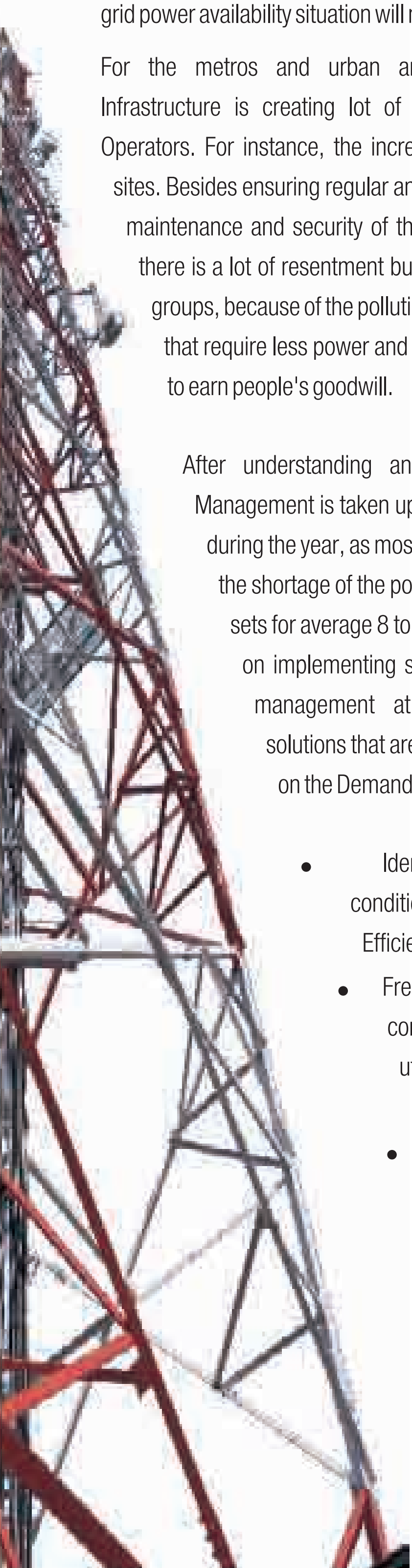
The new operators will be looking at savings in capital expenditure and speed to market, as they are the most crucial factors in determining their success in a competitive market like India.

Way Ahead

The Company is well on course of setting up 23,700 cell sites by March 2011 at an estimated Capex of Rs. 7,265 Crores (US$ 1.81 Bn). The Company will extend its reach to all the 22 telecom circles across India with equal focus on rural site, semi urban, urban and Metro (driven by demand for capacity sites and 3G rollout) to provide an attractive portfolio to the new licensees, who will begin operations sometime in the first quarter of calendar year 2009. The Company has also undertaken some in-building coverage projects in line with the Operator's intention of providing better indoor network quality.



Energy Management



In India, Telecom Operator's ARPU is coming down year over year. Owing to which rationalization of operating costs of networks, has emerged as top priority for the Telecom Operators. Operators are well aware that their next phase of rollouts will happen in semi-urban and rural areas, where grid power availability situation will not be favourable.

For the metros and urban areas, managing Telecom Network Infrastructure is creating lot of pressure on the bottomline of the Operators. For instance, the increasing ground / rooftop rents for cell sites. Besides ensuring regular and uninterrupted power supply, regular maintenance and security of the tower, are challenging tasks. Also, there is a lot of resentment building up among consumers and civic groups, because of the pollution the cell sites cause. Those solutions that require less power and generate less pollution, are necessary to earn people's goodwill.

After understanding and analyzing this situation, Energy Management is taken up as an important initiative at GTL Infra during the year, as most of future roll out is in rural India. Given the shortage of the power most of these sites will run on DG sets for average 8 to 10 hours per day. GTL Infra is focused on implementing several measures for effective energy management at these towers. Various technical solutions that are being tested for Energy Management on the Demand Side include:

- Identification of energy efficient air-conditioning systems with high EER (Energy Efficiency Ratio)
- Free Cooling / Emergency Free cooling concept of air-conditioning systems to utilize cool ambient temperatures for reducing compressor running
- Wide input voltage range SMPS with minimum derating at lower input voltages
- Shelter designs with higher insulation characteristics and compartmental shelter layouts
- Encapsulated enclosures for outdoor type BTS equipments
- Fuel Optimizer method of operating DG, interleaved with battery backup
- Usage of Energy Star rated products, tube lights , appliances
- Optimal Power sizing with upgradeability as site load increases

To address the Supply Side challenges, GTL Infra is working on

- Single phase site designs
- Solar Photovoltaic Voltage (SPV) systems
- Wind turbines which can be mounted on our telecom towers
- Gas based Generator sets in selected regions

The Energy Management initiatives also include generating awareness of Energy Management among the operation and maintenance engineers. GTL Infra plans to get its engineers certified as Energy Auditors and Energy Managers by Bureau of Energy Efficiency (BEE).

Currently, the operators are spending on energy consumption, an amount that is equivalent to the monthly provisioning charges paid to the Tower Companies by them. The technical innovations through the Energy Management solutions will help to reduce the energy costs by 5 to 9%. It will also help in reducing the fossil fuel consumption by using alternate and renewable sources.

Efficiencies through Energy Management initiatives at GTL Infra will not only improve Operational profits but will also make our sites more attractive for Wireless Telecom Operators.

"The telecom revolution has brought a change in our lives. With computer and technical expertise, we now stand at par with our urban counterparts."

Future Outlook

GTL Infra operates in Indian Wireless Telecom industry, one of the fastest growing sectors in the Indian economy. Over the past 3 years, Indian Wireless Telecom sector has been growing at 41% CAGR. This growth has been attributed to rapid increase in mobile usage, rise in MOU and increase in demand for new application services. Despite this rapid growth, India continues to remain a laggard on the world telecom stage with penetration level at a dismal 26%, one of the lowest amongst the developing Nations. In order to enhance it, leading Wireless Telecom operators have announced expansion plans across the country.

Opportunities and Challenges

The rapid pace of growth in the Telecom sector has also brought along with it coverage and capacity constraints for the Wireless Operators. Rise in mobile subscriber base in urban areas followed by rise in MOU have significantly contributed to increasing pressure on the existing Network Infrastructure of the Operators. This has led to frequent call drop experience for the end users.

However in future, with the proposed introduction of MNP, Operators with poor network quality stand to lose their subscribers to their rivals. As mentioned earlier in this report, a satisfaction survey conducted recently by Voice & Data has revealed less than 90% QoS satisfaction levels by the customers of National Operators. On the rural front, low ARPU, dispersed population and high maintenance cost has made the network rollout unfeasible for the operators. While these put up high economic and operational difficulties for the Operators, it has presented companies like GTL Infra potential to grow by providing value added services to the Operators. Following are the steps GTL Infra envisages to undertake in near future and thereby grow along with the Operators.

Increase Occupancy on Tower

The returns generated on the tower assets can be improved dramatically by improving the occupancy on the sites. This is mainly because the maintenance cost of operating a cell site is largely fixed and its increasing utilization significantly improves operating margins and reduces the payback period on the sites. The Company plans to rollout majority of its cell-sites in places of poor connectivity where no other towers are present creating greater possibilities to attract more operators to help them in their drive to improve the market share in the region.

The existing cell-sites will also enable the company to generate revenue streams from technologies like 3G, WiMAX, Broadcasting and FM radios.

As the demand for voice services is fulfilled the operators will gradually migrate towards speedier, next-generation wireless technologies that will need the towers and associated passive infrastructure.

Energy Management Solution

In its continued pursuit to offer new services to its customers, GTL Infra will also undertake Energy Management initiatives to conserve energy at the sites. Continuous supply of power is necessary to keep the cell site up and running on 24x7 basis. Due to inconsistent electric supply in rural areas, Operators are powering these sites through use of diesel generators. Recent rise in International fuel prices has meant that energy cost is almost equivalent to the monthly provisioning fees paid per site by the operators in the areas where there is severe power shortage. This makes operations in rural areas highly unattractive for the operators. GTL Infra proposes to provide energy management solutions not only to ensure uninterrupted connectivity but also to reduce power consumption cost for its customers.

Provide In-Building Solutions

With customers demanding connectivity everywhere, the concept of deploying 'In-Building Solutions' has gained momentum in the Indian Wireless industry. In-Building solution caters to entire connectivity needs such as in-building mobile coverage and availability of wired and Wireless Internet Broadband in high rise residential complexes, malls, multiplexes, hotels and airports.

Acquisition of Existing Towers

GTL Infra plans to address the Telecom Tower Infrastructure acquisition opportunities in India and Abroad. The Company may pursue acquisitions and strategic investments into Telecom Tower Infrastructure companies being hived off by Telecom Operators and other independent tower companies to maintain leadership position as the largest 3rd party Independent Telecom Tower Infrastructure company. The key criteria for consideration comprises of the network footprint, capacity of the towers, the sharing potential of the towers, future roll out commitments, the existing occupancy and the expected valuation per tower of the target companies.

The Financial Year ("FY") 2007-08 marked the first full year of operations for the Company, and hence the results of FY 2007- 2008 are not comparable with that of the previous period being for the Nine Months Period ended on March 2007.

The discussion and analysis of the Results of Operations and Balance Sheet that follows are based upon the financial statements, which have been prepared in accordance with Accounting Principles generally accepted in India. The accounts have been prepared on accrual basis, in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and the Exchange Board of India (SEBI), to the extent applicable.

For the purpose of financial analysis, the figures in Rupees for the FY 2007-08 and FY 2006-07 are converted into US$ as under:

Particulars	FY 2007-08 (Rs.)	FY 2006-07 (Rs.)
Profit and Loss Account - 1 US$ equals to	40.00	44.51
Balance Sheet- 1 US$ equals to	40.10	43.66

Result of Operations

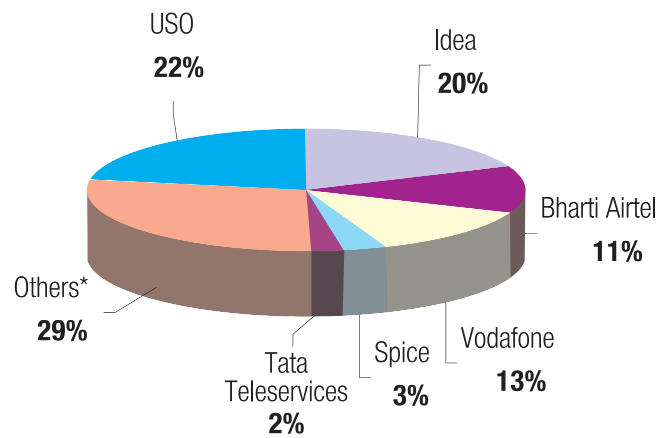
Revenue from Operations

Revenue of the Company stood at Rs. 124.58 Crores (US$ 31.14 Mn) for the year ended March 31, 2008 as compared to Rs. 49.96 Crores (US$ 11.23 Mn) for the year ended March 31, 2007 witnessing a y-o-y increase of 149%.The primary reasons for the same are as follows:

- Increase in total number of towers at various stages of completion from 1,200 as on March 31, 2007 to 6,010 as on March 31, 2008.
- Increase in Occupancy on the entire tower portfolio from 0.70 as on March 31, 2007 to 0.98 as on March 31, 2008.

Customer Mix

The Company maintains a balance mix of customers so that its tower rollout is not influenced by network expansion plan of a single operator.



*Includes BSNL, MTNL, Aircel, GTL etc.

Revenue Visibility

The Company has entered into long term contracts with 6 National level Operators and 1 Regional Operator. These contracts are for a period of 10 to 15 years and yield monthly 'Provisioning fees'. Thus the future revenues of the Company are of recurring nature. The contracts have escalation clauses of 2.5% to 3% on an annual basis. As a result of these multi year recurring revenue contracts, the Company currently has Revenue Visibility of Rs. 180 Crores (US$ 45 Mn). The addition of each 'Operator user' on every tower, will lead to incremental revenues for the

Particulars	FY 2007-08 (Rs. Crores)	FY 2006-07 (Rs. Crores)	Growth (%) Y-o-Y	FY 2007-08 (US $ Mn)	FY 2006-07 (US $ Mn)
Revenue	124.58	49.96	149%	31.14	11.23
Less: Cost of services	25.02	0.90		6.25	0.20
Less: Employee, Administrative & Other Cost	36.40	15.45		9.10	3.47
EBIDTA	63.16	33.61	88%	15.79	7.55

the Company at very low incremental costs, thereby improving EBIDTA margins.

Cost of Services

Cost of Services for the year ended March 31, 2008 was Rs. 25.02 Crores (US$ 6.25 Mn).The Cost of Services consists of:

- Land Rentals
- Operation & Maintenance of cell sites
- Annual Maintenance charges for Towers, Diesel Generators, Air Conditioners and other equipments.

'Pass through' expenses include diesel and electricity costs to operate the cell sites, which are incurred by the Company on behalf of the Telecom Operators. These expenses are reimbursed by the Operators on a monthly basis and thus are not part of the Profit and Loss Account.

Employee, Administrative and Other Expenditure

The Employee, Administrative and other expenditure in FY 2007-08 aggregrates to Rs.36.40 Crores (US$ 9.10 Mn) being 29.22% of the revenue. The reasons for the increase are as follows:

- Increase in tower portfolio from 1,200 in FY 2006-07 to 6,010 in FY 2007-08.
- Establishment of Project Management teams in 15 circles of operation, an increase of 8 circles during the year.
- Increase in employee strength to 208 as on March 31, 2008 as against 189 as on March 31, 2007.

EBIDTA

The EBIDTA for FY 2007-08 stood at Rs. 63.16 Crores (US$ 15.79 Mn). As a percentage of revenue, EBIDTA margin stood at 51% for FY 2007-08. This EBIDTA margin is in line with the global average of tower companies. In the initial years of its operation, the Company expects EBIDTA margins to be in the range of 45% to 55% and then gradually grow with the increase in occupancy on the towers.

Given the capital intensive nature of the business, Depreciation and Interest expense are the major costs for the Company.

Depreciation

During the year, the Company has reviewed the original estimated useful life of Shelters, Air Conditioners, Generators and Electrical Equipments. Based on technological evaluation, the Company has revised the estimated useful life of Shelters from 10 to 20 years and Air Conditioners, Generators and Electrical Equipments from 6 to 9 years. This revision has resulted in reduction of depreciation charge for the year by Rs. 14.05 Crores (US$ 3.51 Mn). Consequently, the Net Loss after taxation and the balance carried to the Profit and Loss Account for the year are lower and the Net Fixed Assets as on March 31, 2008 are higher by the like amount.

Interest Expense (Net Income)

Interest Expense (Net Income) comprises of Interest Expense, Interest Income, Net Foreign Exchange Gain / Loss and Gain / Loss on settled / realized Derivative Contracts / Swap Arrangements and Mark to Market losses on Derivative Contracts. The breakup for the FY 2007-08 is as given on the page 26.

Derivative & Forex Instruments

- The Company has exposure to US Dollar and Euro currencies on account of long term overseas borrowings. The Company plans to use these funds to part finance its import requirements of Towers, Shelters, other accessories and for Acquisitions / Joint Ventures / Wholly Owned Subsidiaries overseas.
- The Company uses Currency and Interest Rate Swaps, as part of its overall strategy to manage the level of exposure to fluctuations in currency exchange and interest rates in relation to its borrowings, imports and the overall interest costs.
- In accordance with the recommendations on Derivatives / Hedges issued by the Institute of Chartered Accountants of India (ICAI), the summary of realized gains and unrealized gains / losses during FY 2007-08 is as given on the page 26.

Particulars	FY 2007-08 (Rs. Crores)	FY 2006-07 (Rs. Crores)	FY 2007-08 (US$ Mn)	FY 2006-07 (US$ Mn)
Interest Expense				
Interest - Term loan	36.44	9.81	9.11	2.21
- FCCB	0.01	0.11	0.00	0.02
- Others	0.54	0.29	0.14	0.07
- Bank charges	0.96	0.42	0.24	0.09
Total Interest Expense (A)	**37.95**	**10.63**	**9.49**	**2.39**
Less :				
Interest Income:				
Interest - Bank Deposits	19.05	0.00	4.76	0.00
Interest - Deposits for Debt service	1.97	0.62	0.49	0.14
Interest - Others	0.26	0.21	0.07	0.05
Total Interest Income (B)	**21.28**	**0.83**	**5.32**	**0.19**
Foreign Exchange Gain / (Loss)	(11.22)	(0.54)	(2.80)	(0.12)
Gain / (Loss) (Net) on Derivative contracts / Swap arrangements:				
On settled / realized contracts / arrangements	46.57	6.77	11.64	1.52
Mark to Market losses on outstanding Contracts	(25.68)	NIL	(6.42)	NIL
Net Foreign Exchange Gain (C)	**9.67**	**6.23**	**2.42**	**1.40**
Interest & Finance Cost/ (Net Income) - (A+B+C)	**7.00**	**3.57**	**1.75**	**0.80**

Particulars	Amount (Rs. Crores)	Amount (US$ Mn)
Realized Gains	46.57	11.64
Mark to market losses (Provided for in the books of account)	25.68	6.42
Mark to Market gains (Not recognized in the books of account)	2.02	0.50

Funds Raised during the Year

The Company has a vision to be the largest third party independent tower company. To achieve this goal, the Company has plans to roll out 23,700 towers by FY 2011 across all telecom circles in India. The total capital outlay for this rollout is estimated to Rs. 7,265 Crores (US$ 1.81 Bn). Since the Company operates in a Capital intensive Industry, steady inflow of cash becomes critical for timely roll out of towers. The Company has chosen a mix of Debt and Equity to supplement the future cash flows generated from operations to fund its capex plans.

Equity Funding

Rights Issue

In September 2007, the Company has successfully concluded on 1:1 rights issue. These rights were issued at par to the shareholders. The issue was oversubscribed by 1.05 times. Through the issue, the Company raised Rs. 336.29 Crores (US$ 83.86 Mn).

Preferential Allotment

In November 2007, the Board of Directors of the Company approved issuance of 26.37 Crores warrants on a preferential basis to Promoter Group, Industrial Development Finance Company Ltd. (IDFC) & Technology Infrastructure Ltd. Each Warrant carries a right to convert into one Equity Share of Rs. 10 (US$ 0.25) at a premium of Rs. 30 (US$ 0.75), over a period of 18 months from the date of allotment. The conversion price for the warrants was arrived to, as per the SEBI approved formula.

During the FY 2007-08, 3.54 Crores Warrants were converted into Equity Shares. The conversions have resulted into addition of Rs. 35.44 Crores (US$ 8.84 Mn) to the Equity Capital and Rs. 106.32 Crores (US$ 26.51 Mn) to the Securities Premium Account. (The Premium mentioned is before adjustments for Issue expenses).

FCCB (Quasi Equity)

In November 2007, the Company has successfully closed the Zero Coupon FCCB issue of Rs. 1,179 Crores (US$ 300 Mn) which also includes Green Shoe Option of 20% of the issue size at Yield to Maturity (Y-T-M) of 6.9%. The issue received response from about 90 global investors with offerings worth more than Rs. 4,000 Crores (US$ 1 Bn) reiterating investors' confidence in the Company. These bonds can be converted into shares at a conversion price of Rs. 53.04 (US$ 1.32) per share. During the FY 2007-08, 315 FCCBs were converted into Equity Shares, which resulted into an addition of Rs. 23.34 Crores (US$ 5.82 Mn) to the Equity Capital and Rs. 100.46 Crores (US$ 25.05 Mn) to the Securities Premium Account (The Premium mentioned is before adjustments for Issue expenses).

During the year, the Company's Equity Capital increased from Rs. 332.82 Crores (US$ 76.23 Mn) to Rs. 734.26 Crores (US$ 183.11 Mn). Following the full conversion of all Preferential Convertible Warrants and FCCBs, the Equity Capital of the Company on fully diluted basis will be Rs. 1,179.18 Crores (US$ 294.06 Mn).

Debt Funding

The Company has obtained loan sanctions of Rs. 4,945 Crores (US$ 1.23 Bn) till date, from a consortium of domestic and foreign banks in the form of Rupee and Foreign currency term loans.

Snapshot of Funds Raised / Sanctioned

Mode of Raising Funds	Amount (Rs. Crores)	Amount (US$ Mn)
Share Capital (As on Sept 14, 2007)	336	84
1:1 Rights Issue	336	84
Warrants	1,054	264
FCCB	1,179	300
Equity / Quasi Equity - (A)	2,905	732
Debt Sanction - (B)	4,945	1,233
Total (A+B)	**7,850***	**1,965**

*This excludes ESOS granted/converted.

Balance Sheet Items

Shareholder's Funds

Paid up Share Capital

The paid up Share Capital of the Company was Rs. 734.26 Crores (US$ 183.10 Mn) as on March 31, 2008 as compared to Rs. 332.82 Crores (US$ 76.23 Mn) as of March 31, 2007. The increase in paid up capital is as stated below.

Particulars	Equity Share Capital (Rs. Crores)	Premium* (Rs. Crores)	Total (Rs. Crores)	Equity Share Capital (US$ Mn)	Premium* (US$ Mn)	Total (US$ Mn)
Equity Capital (As on 31 March, 2007)	332.82	NIL	332.82	83.00	NIL	83.00
Add: Rights Issue	336.29	NA	336.29	83.86	NA	83.86
Add: Conversion of Warrants during the year	35.44	106.32**	141.76	8.84	26.51	35.36
Add: Conversion of FCCBs during the year#	29.05	100.46**	129.51	7.24	25.05	32.29
Add: Conversion of Employee Stock Options (ESOS) during the year	0.66	NA	0.66	0.16	NA	0.16
Equity Capital (As on March 31, 2008)	**734.26**		**941.04**	**183.10**		
Add: Advance for Preferential Convertible Warrants	**91.28**	**NA**	**91.28**	**22.76**	**NA**	**22.76**
Total	**825.54**	**206.78**	**1,032.32**	**205.87**	**51.56**	**257.41**

* denotes the Premium received through Conversion in the year.
**Before adjusting for Issue expenses.
Includes conversion of FCCBs transferred to the company shareholders, during the demerger of GTL Limited.

Fully Diluted Equity Capital

Particulars	Equity Share Capital (Rs.Crores)	Premium* (Rs.Crores)	Total (Rs Crores)	Equity Share Capital (US$ Mn)	Premium* (US$ Mn)	Total (US$ Mn)
Equity Capital (As on March 31, 2008)	734.26	N.A.	734.26	183.10	N.A.	183.10
Warrants conversion	228.21	684.63	912.84	56.91	170.73	227.64
FCCB conversion	198.95	856.28	1,055.23	49.61	213.54	263.15
ESOS conversion	17.76	N.A.	17.76	4.43	N.A.	4.43
Fully Diluted Equity Capital	**1,179.18**	**1,540.91**	**2,720.09**	**294.05**	**384.24**	**678.33**

*denotes the Total premium that will be received by the Company on full conversion in future.

The Company believes the balance FCCBs may be converted into Equity Share Capital, subject to favourable performance of the Company's stock price. The Fully Diluted Equity Capital, consequent to the future conversion of all convertible instruments, could be as stated above.

Reserves

Reserves and Surplus consists of Securities Premium Account (after adjusting for Issue expenses of FCCB and Warrants) and Reconstruction reserve. Securities Premium is on account of conversion of Foreign Currency Convertible Bonds and Preferential Convertible Warrants. The Reserves and Surplus of the company increased to Rs. 197.93 Crores (US$ 49.36 Mn) as on March 31, 2008 from Rs. 19.93 Crores (US$ 4.57 Mn) as on March 31, 2007.

Loan Funds

The total Secured loans as on March 31, 2008 stood at Rs. 1,399 Crores (US$ 348.88 Mn). The Unsecured loans of Rs. 1,076.69 Crores (US$ 268.50 Mn) represents outstanding FCCBs.

Fixed Assets

The Company is a Category - 1 Infrastructure Provider that builds, owns, operates and maintains passive infrastructure on a shared basis. As part of this objective, the Company's tower portfolio, at various stages of completion increased from 1,200 towers as on March 31, 2007 to 6,010 towers as on March 31, 2008, thereby adding 4,810 towers at various stages of its completion to its portfolio. The investment (Gross Block + Capital Work In Progress) as on March 31, 2008 is as under:

Asset	FY 2007-08 (Rs. Crores)	FY 2006-07 (Rs. Crores)	FY 2007-08 (US$ Mn)	FY 2006-07 (US$ Mn)
Land	0.61	NIL	0.15	NIL
Plant & Equipments	1,252.84	451.27	312.43	103.36
Buildings	59.78	21.32	14.91	4.88
Others	21.16	9.89	5.28	2.27
Capital Work in Progress	790.49	539.30	197.13	123.52
Total	**2,124.90**	**1,021.78**	**529.90**	**234.03**

The Company has plans for acquisition of land for 3,000 cell sites in the next financial year. The Company has entered into lease agreements for the land beneath the cell sites for 10 years, whereas the contract term with the operator is for a period of 10-15 years. Owning of the land beneath the cell site will help The Company to save lease rentals and provide long term hassle free service to Operators.

Investments

The Company's investment policy is to invest its surplus funds (Pending Project Utilization) in Quoted and Unquoted investments, in debt related mutual funds, bank deposits and others. Investments as on March 31, 2008 were of Rs. 66.34 Crores (US$ 16.53 Mn).

Particulars	FY 2007-08 (Rs. Crores)	FY 2006-07 (Rs. Crores)	FY 2007-08 (US$ Mn)	FY 2006-07 (US$ Mn)
Unquoted Investments	0.34	43.29	0.08	9.92
Quoted Investments	66.00	87.15	16.45	19.96
Total	**66.34**	**130.44**	**16.53**	**29.88**

Current Assets

The Current Assets of the Company were worth Rs. 1,651.25 Crores (US$ 411.78 Mn) as on March 31, 2008 as compared to Rs. 98.33 Crores (US$ 22.52 Mn) as on March 31, 2007. The increase in Current Assets in FY 2007-08 was on account of higher tower rollouts during the year.

- Sundry Debtors as of March 31, 2008 stood at Rs 42.21 Crores (US$ 10.52 Mn). This represents outstanding on account of Infrastructure Provisioning charges and Recoverable Expenses.
- The Cash and Bank balance of the Company as on March 31, 2008 was Rs. 1,375.64 Crores (US$ 343.05 Mn). The increase in Cash and Bank balance is primarily due to funds raised through FCCBs, Preferential Convertible Warrants and other funds marked for projects under execution.
- Loans and Advances primarily consists of CENVAT / Service tax input credit entitlements of Rs. 109.94 Crores (US$ 27.41 Mn).

Current Liabilities & Provisions

The Current Liabilities & Provisions of the Company were worth Rs 228.59 Crores (US$ 57 Mn) as on March 31, 2008 which are primarily Acceptances and Sundry Creditors towards capitalized expenditure.

- Acceptances, Sundry creditors and other liabilities were Rs. 181.45 Crores (US$ 45.25 Mn), primarily on account of rollout of 4,810 cell sites during the year.
- Provision for 'Mark to Market' losses on Derivative contracts in FY 2007-08, is amounting to Rs. 25.68 Crores (US$ 6.40 Mn) as per the ICAI recommendations on Derivatives.

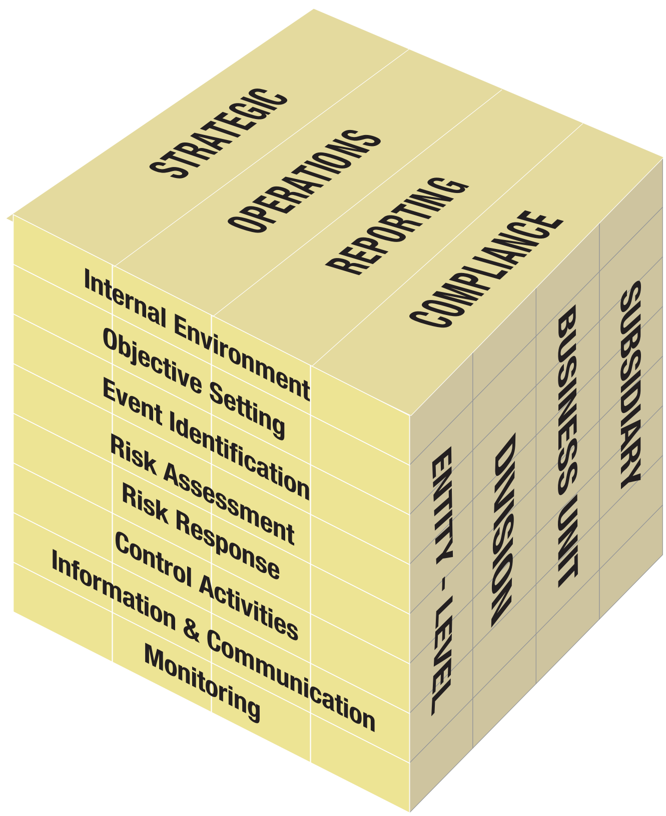
"The Risk Management Strategies have helped in identifying the shortcomings and scope of improvement in our systems and processes. It has also served as a vital business development tool."

GTL INFRASTRUCTURE

> **"Take calculated risks.**
> **That is quite different**
> **from being rash"**
>
> **- George S. Patton**

This report, prepared in accordance with Clause 49 (IV) of the Listing Agreement with Stock Exchanges in India, sets out the Enterprise-wide Risk Management practiced by GTL Infrastructure (The Company). Shareholders and other readers are cautioned that the risks outlined here are not exhaustive and are for information purposes only. The report may contain statements, which may be forward-looking in nature. The Company's business model is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Hence, all readers are requested to exercise their own judgment in assessing the risks associated with the Company, and to refer to the discussion of risks in the Company's previous annual reports and website.

COSO's Integrated ERM Framework



Risk Management - Significance and Approach

In India, since 2001, Enterprise Risk Management (ERM) has evolved steadily in progressive companies. It is evolving from being merely a risk identification and assessment process to building a risk portfolio that is continually assessed and monitored. The perception that "risk is not my responsibility" has evolved to a more realistic "risk is everybody's responsibility". These changes have resulted in ERM becoming an integral part of a company's operating philosophy.

There are several ERM frameworks to choose from (e.g. Australia/New Zealand, AIRMIC, Canada, COSO, etc.), of which 'COSO's Integrated ERM Framework' is most popular. This framework describes a direct relationship between an entity's objectives (what an entity strives to achieve) and ERM components (what is needed to achieve them) spanning across various levels in the organisation. This relationship is portrayed as a three-dimensional cube. COSO's flexible framework allows a company to focus on the entirety of its ERM framework, or by objectives category, components, entity unit, or any combination thereof. However, the choice of a framework depends upon individual company's needs. Some companies have even prepared their own framework by picking up the relevant recommendations from various frameworks.

GTL Infrastructure has also prepared it's own framework and adhering to the same. However, as a continual improvement measure, it has always been striving to adhere completely to COSO framework as well.

GTL Infrastructure's adherence level vis-à-vis COSO's ERM Integrated Framework as reflected below :

1.	**Internal Environment**	
	Sub-Component	**Status**
	The internal environment should encompass the tone of an organisation, influencing the risk consciousness of its people, and should form the basis for all other components of ERM, providing discipline and structure.	GTL Infrastructure is consciously building up a conducive internal environment by implementing ERM program across the Company. Under the program, GTL Infra has conducted several workshops, imparted training, etc. to a large number of people. To enable people to access/ report risks in a structured way, GTL Infrastructure is also implementing Risk Management Software viz. CORE. (Please refer to details below)
	The Company should have a well-defined Risk Management philosophy	GTL Infrastructure has a well-defined Risk Management Philosophy, which requires abandonment of the traditional approach of "Risk Management by Silos" and adoption of "Enterprise-wide Risk Management (ERM)" to have a comprehensive view of the entire gamut of risks in the organisation.
	The entity's Risk Appetite should reflect the entity's Risk Management philosophy and should be considered while strategy setting.	Currently, the Risk Appetite at GTL Infrastructure is not formally defined. However, as it is transiting from Selective Risk Management to Enterprise-wide Risk Management, it strives to develop a comprehensive system that will measure risk at entity level and determine the risk taking capacity of the Company and acceptable levels of risk.
	The board should be active and possess an appropriate degree of management, technical, and other expertise, coupled with the mind-set necessary to perform its oversight responsibilities. It should be prepared to question and scrutinize management's activities, present alternative views, and act in the face of wrong doing. It should have at least a majority of independent outside directors and should provide oversight to Enterprise Risk Management and is aware of and concurs with the entity's Risk Appetite.	The Board of GTL Infrastructure consists of 11 Directors out of which 8 are Independent Directors. Majority of the Independent Directors are finance experts and some of them are engineering Professionals. Risk Management is overseen at Top Management Level through Operating Council & Risk Management Committee and at Board Level through the Audit Committee of the Board.
	The entity's standards of behaviour should reflect integrity and ethical values. Ethical values should not only communicate but also be accompanied by explicit guidance regarding what is right and wrong. Integrity and ethical values should be communicated through a formal code of conduct. Upward communication channels should exist where employees feel comfortable bringing relevant information. Penalties should be applied to employees who violate the code. Mechanisms should encourage employee for reporting suspected violations, and disciplinary actions should be taken against employees who knowingly fail to report violations. Integrity and ethical values should be communicated through management actions and the examples they set.	GTL Infrastructure has got a well-defined code of conduct, which is issued to all new joinees including Directors. The Code of Conduct talks about the integrity & ethical values. GTL Infrastructure Management has recently implemented an 'Ethical Practices Policy', which is a pre-cursor for adoption of a 'whistle blower policy'. This Policy is formulated to provide mechanism to employees to report to the Ethical Practices Committee (Committee) concerns about unethical behaviour, actual or suspected fraud or violation of respective Company's Code of Conduct or Ethics Policy, if any (Unethical Practices) and to provide safeguards against victimization of employees who avail of the mechanism. In addition, it also has 'Sexual Harassment Policy' for the protection of female employees.
	Competence of the entity's people should reflect the knowledge and skills needed to perform assigned tasks and the same should also be aligned to the compensation.	GTL Infrastructure's organisation structure clearly establishes the lines of reporting. To enable effective implementation of ERM, GTL Infrastructure has an independent Risk Management Group and a Risk Management Committee.

	Internal Environment (contd.)	
	Sub-Component	**Status**
	The organisational structure should define key areas of responsibility and accountability and should establish lines of reporting. It should be developed in consideration of the entity's size and nature of activities to enable effective enterprise risk management.	GTL Infrastructure has well-defined HR systems and policies. It also has a comprehensive HR manual which deals with various HR issues.
	HR Standards should address hiring, orientation, training, evaluating, counseling, promoting, compensation, and remedial actions and should drive expected levels of integrity, ethical behaviour, and competence.	
2.	**Objective Settings**	
	Sub-Component	**Status**
	Objectives should be set at the strategic level, establishing a basis for operations, reporting and compliance objectives. They should also be aligned with the entity's risk appetite, which drives risk tolerance levels for the entity.	At GTL Infrastructure, the strategic objectives are set at the Board / Chairman / WTD level. The strategic objectives also form the basis for operations, reporting, and compliance objectives which are set by the Operating Council / Operational Heads.
3.	**Event Identification**	
	Sub-Component	**Status**
	Management should identify potential events that, if they occur, will affect the entity, and determine whether they represent opportunities or whether they might adversely affect the entity's ability to successfully implement strategy and achieve objectives.	GTL Infrastructure has been focusing on all operational and other risks. In this direction GTL Infrastructure is implementing a Risk Management Software viz. 'CORE' i.e. CRISIL's Corporate Risk Evaluation Software for risk event identification. CORE has got four modules i.e. Risk Control Self Assessment (RCSA), Key Risk Indicator (KRI), Loss-data Capture (LDC) & Issue and Action Plan (I&AP) modules for facilitating Event Identification across the organization.

CORE Risk Management Methodology

4.	**Risk Assessment**	
	Sub-Component	**Status**
	Management should assess events from two perspectives - likelihood and impact and use a combination of qualitative and quantitative methods.	RCSA module of CORE allows risk assessment from both perspectives likelihood (i.e. Probability of an Event or PE) and impact (Loss Given Event or LGE).
5.	**Risk Response**	
	Sub-Component	**Status**
	Management should determine how to respond to the relevant risks identified through Risk Assessment. Responses include risk avoidance, reduction, sharing, and acceptance. In considering its response, management should assess the response effect on risk likelihood and impact vis-à-vis the response costs. The response should bring the residual risk within desired risk tolerances. Management should also identify any opportunities that might be available, and take an entity-wide/ portfolio view of risk, determining whether overall residual risk is within the entity's risk appetite.	Traditionally, the risks are responded/ controlled by taking adequate insurance cover for insurable risks, entering into hedging transactions for financial risks, negotiating contractual terms for contractual risks, etc. Risks identified through the CORE software are discussed with the concerned heads and subsequently action plan are prepared through Issue & Action Planning (IAP) module of CORE software. Risks that cannot be addressed through IAP module are considered separately. The new approach gives more stretch on risk mitigation than risk transfer.
6.	**Control Activities**	
	Sub-Component	**Status**
	Management should establish effective controls through well-defined policies and procedures to ensure that Risk Responses are carried out.	GTL Infrastructure has developed Standard Operating Procedures for critical functions. RCSA module of CORE also helps in evaluating the control effectiveness of existing processes.
7.	**Information and Communication**	
	Sub-Component	**Status**
	All personnel in the Company must receive a clear message from top management that ERM responsibilities must be taken seriously.	By setting up an independent ERM team and implementing Risk Management Software across the Company, the top management has indicated their seriousness about the subject.
	Pertinent information has to be identified, captured, and communicated in a form and timeframe that enable people to carry out their responsibilities. Information systems should use internally generated data, and information from external sources, providing information for managing risks and making informed decisions relative to objectives. The personnel should understand their own role in ERM, as well as how their activities relate to the work of others. They must have a means of communicating significant information upstream.	RCSA/KRI/LDC modules (which use internal as well as external data) of CORE are expected to identify & capture the pertinent risk information and IAP module is expected to communicate the same to the relevant people across the organization. CORE modules will also help personnel in understanding their own role in ERM.
	Effective communication should also occur, flowing down, across, and up in the organization. There should also be effective communication with external parties, such as customers, suppliers, regulators, and shareholders.	GTL Infrastructure has got a highly interactive intranet system and mail system for communication flow throughout the organization.

8.	**Monitoring**	
	Sub-Component	**Status**
	ERM should be monitored through ongoing monitoring activities and/or separate evaluations. Ongoing monitoring occurs in the normal course of management activities. The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. ERM deficiencies are reported upstream, with serious matters reported to top management and the board.	Ongoing monitoring occurs in the normal course of management activities like Functional, Operating Council or Board level activities. Currently, RMG also conducts separate evaluation of risks in certain areas and reports the same to the top management and the board. CORE also enables to conduct separate evaluation of risks in other areas of operations.

Risks and Concerns

Major Risks Identified are as follows:

Strategic Risks

Third Party Passive Infrastructure sharing is a new concept in the Indian telecom industry and is yet to be successfully proven. Thus achieving scalability could face problems.

Infrastructure sharing in the wireless telecom sector is a new concept in India. The growth phase in the cellular subscriber base in India is expected to continue. With an increasing pressure on average revenue per user and declining usage charges, the thrust among the telecom operators has shifted to cost cutting. The telecom operators are now strongly contemplating sharing telecom infrastructure to save time and cost. Internationally, although passive infrastructure sharing has been successful in the US, it has not yet been proven in Asia.

Current High Demand for Telecom Sites may plateau

Our rollout plan is driven by the projected growth in the Indian cellular subscriber base. The overall tele-density from current level of 26% with a subscriber base of 301 million, as at March 2008, is expected to reach to 500 million subscribers in 2010, a CAGR of 41%. However, over a period of five years, we may face the risk of the Indian wireless market not growing at the projected growth rate as stated above, resulting in stagnant/slowdown of tower demand.

Decrease in demand for telecom sites will affect our operating results

Many of the factors affecting the demand for telecom sites could materially affect our operating results. These factors include:

- Consumer demand for wireless services
- The financial condition of wireless service providers
- The ability and willingness of wireless service providers to maintain or increase their capital expenditures
- The growth rate of wireless communications or of a particular wireless segment
- Governmental licensing of spectrum
- Mergers or consolidations among wireless service providers
- Increased use of network sharing arrangements or roaming and resale arrangements by wireless service providers
- Delays or changes in the deployment of 3G or other technologies
- Zoning, environmental, health and other government regulations and
- Technological changes

The demand for telecom sites is dependent on the needs of wireless service providers. In the event that there is a significant variation in any of the aforesaid factors, our business, our growth plans and results of operations may be significantly affected.

If our wireless service provider customers consolidate or merge with each other to a significant degree, our growth, revenue and ability to generate positive cash flows could be adversely affected.

Significant consolidation among our wireless service provider customers may result in reduced capital expenditures in the aggregate because the existing networks of many wireless carriers overlap, as do their expansion plans. The Indian wireless telecom market has experienced consolidation during the past couple of years. There are still numerous wireless operators in India with at least 2-3 GSM operators and 1-2 CDMA operators for each circle. There is potential for further consolidation among the operators to realize a larger operating scale and subscriber base. Consolidation among wireless carriers would also increase our risk that the loss of one or more of our major customers could materially decrease revenues and cash flows.

We may not get sufficient number of sites for fresh roll out. We also face risk of selecting site location, constructing & acquiring sites, as well as managing the new portfolio.

We, through our management and promoter company GTL Ltd., possess experience in telecom infrastructure engineering, tower management, and network consultancy including identification of carrier's needs according to its capital expenditure, marketing strategy, network planning, design, drive test and network optimisation, site engineering & documentation, site construction, OEM's equipment installation, testing, commissioning and integration, customer acceptance and training and market expertise from its current coverage in tower portfolio and services. However, we still face risks in selecting the right site location, in constructing and acquiring sites, in managing the new portfolio and in getting sufficient number of sites for fresh roll outs.

Business Concentration Risks

We derive major portion of our revenues from few customers, loss of any customer will have a materially adverse impact on our business and revenue.

The telecom sector presently has a limited number of players. Consequently our business is also dependent on few customers. In the event any one or more customers cease to continue their business with us, our business may be adversely affected.

We derive major portion of our revenues from few geographical regions in India, saturation of demand from these regions will impact our business and revenue.

Currently, GTL Infrastructure has its presence only in India. In addition it has not yet entered all the geographical regions.

Contractual Risks

Covenants in some of the agreements that we have entered into with wireless carriers could affect our business by limiting our flexibility.

We have currently entered into contracts with leading Operators to provide the Operators passive telecom infrastructure facility and services. We have also executed two letters of intent with National and Regional Cellular Operators and a Term Sheet with one Regional Cellular Operator, the terms of which may undergo certain changes which will be reflected in the contracts that would be executed with such Cellular Operators.

We face the risk of liability from the Service Level Agreements with the Operators

We have Service Level Agreements with operators containing specific key performance parameters. In the event of not meeting these key performance parameters, we are liable to pay fixed penalties to the operators, which may reduce our profitability.

Competition Risks

We face competition from other independent tower infrastructure companies

The main competitors for our business are other independent tower infrastructure companies who provide similar services. We also face competition from Telecom Service Providers agreeing on Passive Infrastructure sharing among themselves.

Telecom Regulatory Authority of India (TRAI) allows sharing of infrastructure by telecom operators. This could have an adverse impact on our business. Some of the Telecom Operators have planned to/ already hived off their tower infrastructure/passive infrastructure into separate companies. Some operators have even merged their tower entities. All these may give tough competition to our green field rollouts.

Increasing competition in the tower industry may create pricing pressures that may adversely affect us

Our industry is highly competitive, and our customers have numerous alternatives for leasing antenna space. Some of the wireless carriers who own towers presently may allow co-location on their towers and are larger and have greater financial resources than we do. Competitive pricing pressures for users on towers from these competitors could adversely affect our provisioning fees and services income. In addition, if we lose customers due to pricing, we may not be able to find new customers, leading to an accompanying adverse effect on our profitability. Increasing competition could also make the acquisition of high quality tower assets more costly.

Regulatory Risk

Setting up of towers is subject to receipt of regulatory approvals; absence or delay in receipt of the requisite regulatory approvals could affect our business and results of operations.

Our business is derived from GBT and RTT constructed by us. There are no specific industrial approvals required to be obtained by us for carrying on our business, however, certain approvals of general nature are required by us to setup our GBTs and RTTs. Out of the general approvals, we have received certain regulatory approvals that are required and in other cases we have made applications to the local authorities and are awaiting the approvals from them. We have, wherever required, made applications for conversion of use of the lands (on which our towers are constructed) from agricultural use to non-agricultural use. These applications are made by us from time to time.

We could have liability under environmental laws

Our operations, like those of other companies engaged in similar businesses, are subject to the requirements of various environmental and occupational safety and health laws and regulations, including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials and wastes. As owner, lessee or operator of cell sites, we may be liable for substantial costs of remediating soil and groundwater contaminated by hazardous materials without regard to whether we as the owner, lessee or operator, knew of or were responsible for the contamination. We may be subject to potentially significant fines or penalties if we fail to comply with any of these requirements. The current cost of complying with these laws is not material to our financial condition or results of operations. However, the requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a adverse effect on our business, financial condition and results of operations.

IT Risk

We rely extensively on our IT systems to provide connectivity across our business functions through our software, hardware and network systems. Any failure in our IT systems or loss of connectivity or any loss of data arising from such failure can impact us adversely.

Manpower Risks

Our success depends upon our ability to retain the Key Management and other Personnel

Our success will significantly depend on the expertise, experience and continued efforts of our key management and other personnel. Our future performance may be affected by any disruptions in the continued service of these persons. There is a dearth of managerial talent, including key managerial personnel, with related business experience. The loss of one or more of our key managerial personnel may impact our ability to maintain growth in our business.

Financial Risks

Due to the long-term expectations of revenue from user leases, the tower industry is sensitive to the creditworthiness of its users

Due to the long-term nature of our user leases, we, like others in the tower industry, are dependent on the continued financial strength of our users. Many wireless service providers operate with substantial leverage. If one or more of our major customers experience financial difficulties, it could result in non-collectible accounts receivable and our loss of significant customers and anticipated lease revenues.

We are subject to risks arising from currency and interest rate fluctuations, which could adversely affect our business, financial condition and results of Operations

The Company has exposure to US Dollar and Euro currency on account of long term overseas funds borrowings. The Company plans to use this money to part finance its import requirements of towers, shelters, other accessories and for Acquisitions/ Joint Ventures / wholly owned subsidiaries overseas.

Technology Risk

New technologies could make our tower leasing business less desirable to potential users and result in decreasing revenues

The development and implementation of new technologies designed to enhance the efficiency of wireless networks could reduce the use and need for tower-based wireless services transmission and reception and have the effect of decreasing demand for tower. New technologies may make our site provisioning services less desirable to potential users and result in decreasing revenues. Such new technologies may decrease demand for site provisioning and negatively impact our revenues. In addition, the emergence of new technologies could reduce the need for tower-based broadcast services transmission and reception. The development and implementation of any of these and similar technologies to any significant degree could have an adverse effect on our Operations.

Conclusion

Any business has to be conducted not only in a profitable manner, but also in the right manner with all operational, ethical, legal, financial and other risks being accounted for. In the long run, this could well be the difference between businesses that survive and excels and those that fizzle out despite providing quality services.

Internal Control

The Company follows the COSO (Committee of Sponsoring Organization) model of Internal Control framework and has designed internal controls to provide compliance with the COSO standards.

The Internal Control framework of a company is devised to provide reasonable assurance regarding the achievement of objectives in the following categories:

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

The Internal Control framework of the company is made up of three integral components.

Risk Assessment

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

Monitoring

A Committee of Directors has been formed to look into the areas of Cost Structure, Management Information System (MIS), Business Review and Risk. Also an Operational Council has been established that conducts monthly review of business operations.

The Role of Internal Audit Department

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

- Understanding and assessing the risks and evaluating the adequacies of the prevalent internal controls
- Identifying areas for system improvement and strengthening controls
- Ensuring optimum utilisation of the resources of the Company, for example, human resources, physical resources etc.

- Ensuring proper and timely identification of liabilities, including contingent liabilities of the Company
- Ensuring with internal and external guidelines and policies of the Company as well as the applicable statutory and regulatory requirements
- Safeguarding the assets of the Company
- Reviewing and ensuring adequacy of information systems security control
- Reviewing and ensuring adequacy, relevance, reliability and timeliness of management information system

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

"People are the 'intellectual capital' of any organisation. Thanks to the availability of advance telecom technologies, we are able to get in touch with the finest professionals from across the globe. Hereby, hiring the best in the industry, or should we say, best in the world."

GTL INFRASTRUCTURE

Human Resources

The vision of Human Resources team is to provide innovative Human Resource strategies, programs and services to the employees. The HR strategy of the Company aims at attracting, developing and retaining talent in the organization & continuously provide a sense of fulfillment.

Values

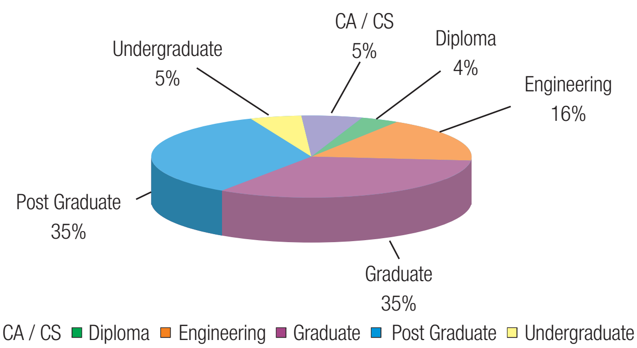
The Company is driven by its values, encompassing the following:

- Delight customers through superior services
- Proactive and a professional approach to our customers
- Developing entrepreneurs through an achievement-oriented culture
- Building a technology savvy organization
- Sharing knowledge and focus on end-results

Employee Profile at GTL Infra

The number of employees are 208 as compared to 189 last year.

Qualification of GTL Infra employees as on March 31, 2008



Training & Development

The Company provides a framework in order to help employees develop their personal and organizational skills, knowledge and abilities. Human Resource Development provides for opportunities such as employee training, employee career development, and takes up issues like performance management and development, coaching, succession planning, key employee identification, and organization development.

The Company has developed a world class Training Centre at Dhingraj Wadi near Pune. In addition to the behavioural training program the employees will go through project management and technical training in the training centre.

Employee Engagement & Talent Management

In a knowledge economy, our most important asset is the energy and loyalty of our people, our intellectual capital. The objective of the Talent Management System is to attract the right talent and nurture them, thus retaining high potential performers and leaders.

Human Resource Systems

The Company is expanding its business and is on the path towards growth. In order to nurture this growth, the company has set up the following HR systems and processes.

We have an Oracle based Human Resource Management System (HRMS) and also a Performance Management System. This ensures appropriate handling, assessment and development of human resource within the organisation.

Employee Welfare

Some of the employee welfare measures undertaken by the company are given below:

- Employee Stock Options
- Incentive scheme
- Personal accident coverage to all permanent employees
- Mediclaim policy
- Term Insurance

The Human Resource at GTL Infra is fully geared up for the next level of growth of the company.

"In this competitive scenario, what sets apart the best from the rest is QUALITY. For us, advancement in telecom technology has helped us keep a tab on our quality policy. Hence, aiding us in leading the race."

GTL INFRASTRUCTURE

Quality and Processes

"Quality is everyone's responsibility"

- W. Edwards Deming

GTL Infra is committed to providing its customers with high value added services leading to the creation of a long term partnership with them as part of a well articulated business vision. At GTL Infra there is an established set of key processes & principles that underpins all the operations and activities carried out. Service from GTL Infra has the advantage of Quality along with Efficiency.

At GTL Infra the corporate objectives are identified and transformed into functional level objectives. The End to End processes at GTL Infra are laid out in compliance with ISO 9001:2000 requirements. These processes are implemented & monitored by the process owners and are audited by the Internal Audit function.

The Company is ISO 9001 certified since the last 3 years and the systematic approach towards the business and operational processes is fully institutionalised. Thus the organisation functions in a manner whereby all the stakeholders including the employees, suppliers, customers and shareholders are benefitted.

The system has matured with time and the Management carries out a performance review periodically. Continual improvement by initiating & implementing appropriate quality initiatives at different levels of the organisation would be introduced as the company moves ahead with its future plans.

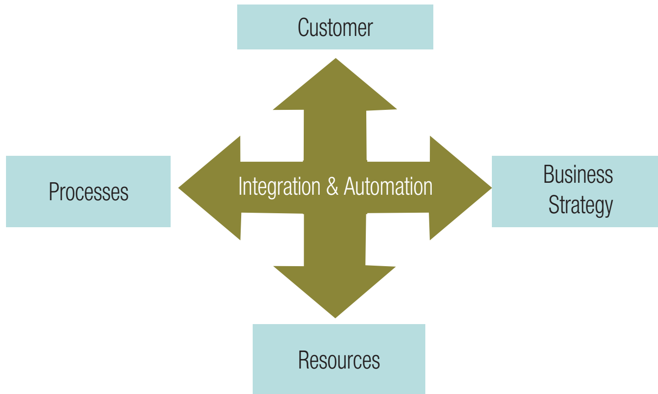
Business Process Management

The organisational functions can be classified as "Core Functions" & "Support Functions". In order to serve the customers better than it's competitors, the Company concentrates on improving & optimizing the core business functions.

Business Process Management is carried out with the help of different models that help in capturing, designing, integrating, deploying, measuring and maintaining various business processes.

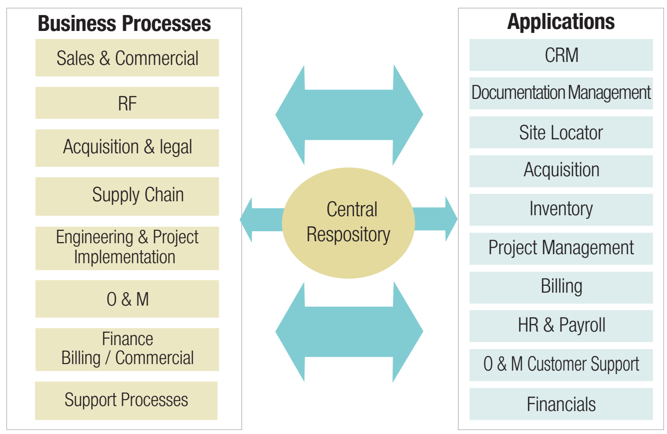
Continuous improvement of processes is encouraged where the core business functions take the leading role in process improvement, supported by systems application & supporting technology. This will bring in the optimization of time & resources in terms of reduced cycle time,

Business Process Management



better utilization of resources & manpower. Also the automation of process helps achieve better timelines, zero rework, accuracy in performance based management and better decision making. The linkage established between the core processes and the supporting technology is illustrated below:

Business Processes & Application Integration



Thus BPM (Business Process Management) is very likely to emerge as key to the success of our organisation keeping in line with the ambitious vision of GTL Infra's Management in the future.

Quality Assurance & Quality Checks

We at GTL Infra follow stringent Quality Assurance (QA) and Quality Checks (QC) practices. Based on various stages of site implementation, a QA plan is made where we adhere to the time lines & carry out Quality tests, checks as per our standard technical specifications which is Based on industry standard practices. Inspection of Material is carried out before dispatching from factory (PROTO) and at sites at various stages of works as per pre defined frequency.

The punch point reports are documented for rectification and are cleared immediately if any. It is only after the final QA check up the site is declared to be RFIE (Ready for Installation of Equipment).Our quality processes are matured as we have rolled out sites across the length & breadth of the country over the last three years. We believe that right quality is only way to ensure the sustainability of our sites.

Responsibility towards Environment

One of the major issues of concern faced globally is that of Global warming. This is due to the impact of activities carried out by mankind. At GTL Infra there has been a constant identification and monitoring mechanism to measure the impact that the activities of the organization has on the environment.

The impact on environment is identified using detailed aspect & impact study at various stages of development like, site preparation, excavation for foundation and earth pits, construction, tower erection, site completion & thereafter operations & maintenance of site. The Company has come up with the Environmental Management Program based on the same.

Environmental and Social Management

GTL Infra has a well framed Environmental and Social Management system in place that works on the site. The system covers site selection, land acquisition, site erection and site operation.

There is a quality and environment management system in place that includes:

- ISO 9001:2000 Quality Management System, including GTL Infra's quality procedures. The operational control processes have been developed in order to comply with ISO 14001 and OHSAS 18001, that goes a step beyond ISO 9001:2000
- GTL Infra as a part of its HSE (Health, Safety & Environment) policy has integrated the QMS with the HSE management system. The processes clearly identifies the part of activities, which may have HSE impacts. An HSES (Health, Safety and Environment & Social) Handbook has also been developed & implemented

The Company is thus geared towards the enhancement of various Process Excellence Models, that represent our continuous progress on all fronts in terms of on-time delivery, predictability and cost reduction. While the Company progresses there is continuous emphasis on the role that each GTL Infra employee would play in achieving the Company's vision of becoming a Global Infrastructure provider.

DOMESTIC OFFICES OF GTL INFRA

MUMBAI

REGD. OFFICE:
Electronic Sadan-I, 3rd FLOOR, MIDC, TTC Industrial Area,
Mahape, Navi Mumbai-400710

303/304, Tower A, 3rd Floor, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai-400013

GUJARAT
303-B, Baleshwar Square, Opp. Iskon Temple,
S. G. Road, Ahmedabad-380054

RAJASTHAN
3rd Floor "Geetanjali Tower",
Bombay walon ka bagh, Ajmer Road, Jaipur-302006

WEST BENGAL
BC-136,Sector-1, Salt Lake City, Near Tank No-3,
Near Block CC Post Office, Kolkata-700064

DELHI
6th Floor, M- Block, DLF Square, DLF City,
National Highway VIII, Jacaranda Marg,
Phase II, Gurgaon-122002

MAHARASHTRA & GOA
Global House, Lane No. 15, Off Prabhat Road,
Erandwane, Pune-411004

Ghanekar Business Centre,105, Prema Building,
1st Floor, Rua-de-Ourem, Panaji, Goa-403001

BIHAR
C/o Mercantile Building, Gayatri Mandir Road,
Near Paneerwala, Kankarbagh, Patna-800020

KARNATAKA
310-311, 3rd Floor, Prestige Terminus II,
Air Port Exit Road, Above DHL Office,
Bangalore-560017

PUNJAB
E-21, Phase VII Industrial Area, SAS Nagar,
Mohali-160055

UTTAR PRADESH
2nd Floor, Plot No.27/II-A
Asha Bhavan, Gokhale Marg, Lucknow-226001

149, First Floor, Chadha Complex, Opposite
Sharda Palace, Delhi Meerut Road, Meerut City -250002

MADHYA PRADESH
Manav Niket, Ground & 1st Floor, Plot No. 30, Indira Press
Complex, M.P. Nagar, Zone No.1, Bhopal-462001

301, Surya Sadhana Building, Chandra Nagar Square,
A.B. Road, Indore - 452 008

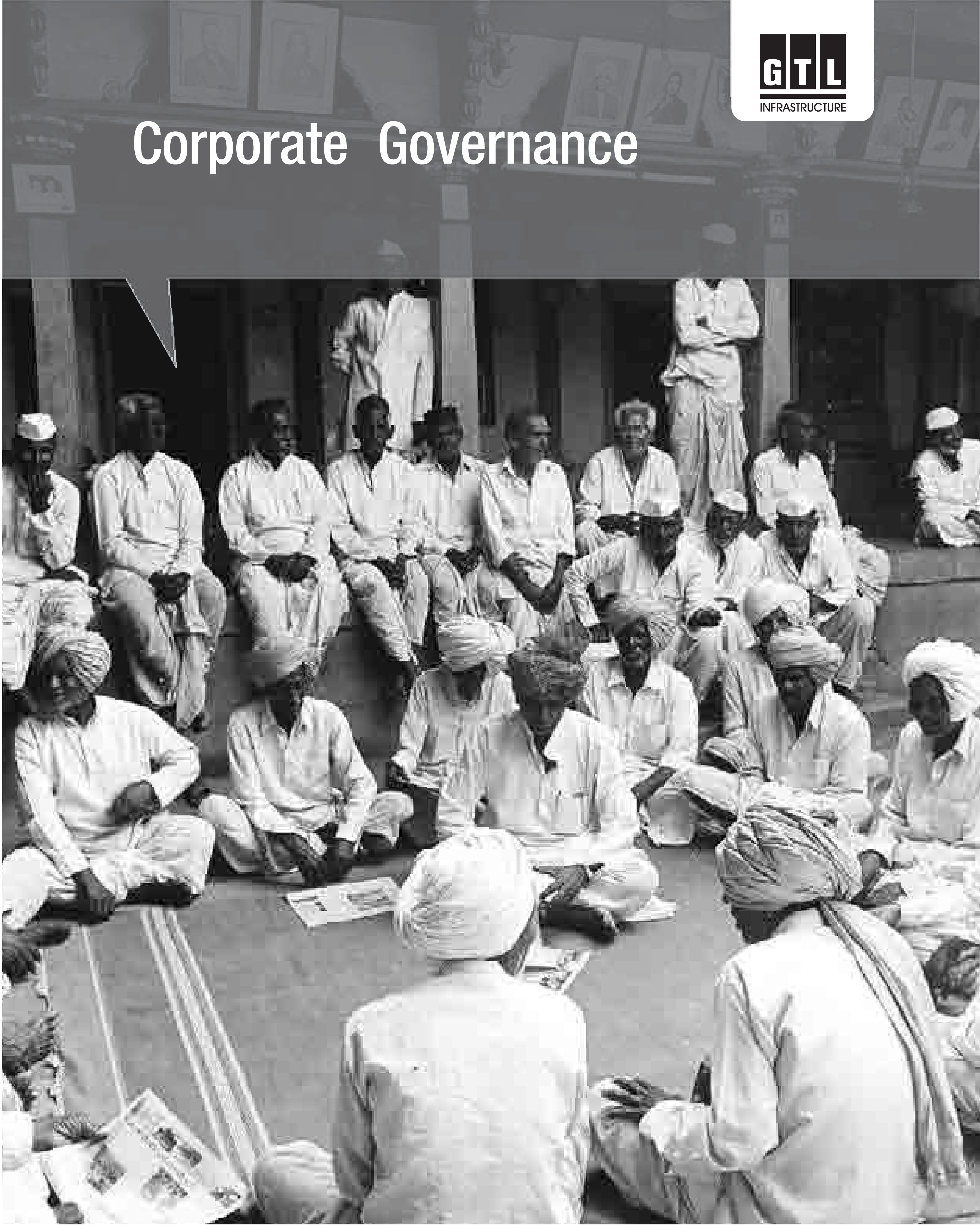
ANDHRA PRADESH
First Floor, Plot No. 156, H. No: 1-11-252/5,
Motilal Nagar, Begumpet, Hyderabad-500016

ASSAM
4th Floor, Shankar Complex,Opp. The Cube,
G. S. Road, Dist. Dispur, Guwahati-781005

ORISSA
N-5/42, 2nd floor, In front of RBI Officers colony,
IRC Village, Nayapalli, Bhubaneshwar-751015

CHENNAI
6th Floor, Alsa Towers, P. H. Road, Chennai-600010

Corporate Governance



Corporate Governance Compliance Report

The equity shares of the Company got listed on both Bombay Stock Exchange Limited and National Stock Exchange of India Limited on November 9, 2006. Accordingly, in terms of Clause 49 of the Listing Agreement (Clause 49) entered into with the said Stock Exchanges, the Corporate Governance Compliance Report is provided hereunder:

1. Company's philosophy on Code of Governance

- Ensure that the quantity, quality and frequency of financial and managerial information, which the management shares with the Board, fully places 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 company in operating practices.

2. Board of Directors

Details of Directors

Sr. No.	Name of Director	NPD*	ED/NED/ ID*	Attendance in Board Meetings		Attendance in last AGM	Other Board		
				Held	Attended		Directorship **	Committee Chairmanship ***	Committee Membership (Including Chairmanship) ***
1	Manoj Tirodkar, Chairman	NPD	NED/NID	7	7	Absent	1	0	1
2	Prakash Ranjalkar	NPD	ED/NID	7	5	Present	0	0	0
3	Anand Patkar $	NPD	NED/ID	4	4	N.A.	0	0	0
4	Balasubramanian N. $	NPD	NED/ID	4	4	N.A.	4	1	1
5	Charudatta Naik	NPD	NED/NID	7	3	Present	1	0	0
6	Deepak Vaidya	NPD	NED/ID	7	4	Absent	8	4	6
7	G. V. Desai	NPD	NED/ID	7	7	Present	1	1	1
8	Lee Sek Hong (Michael Lee) @	NPD	NED/ID	6	1	Present	0	0	0
9	Prakash Samant	NPD	NED/ID	7	7	Present	1	0	1
10	S.S. Dawra	NPD	NED/ID	7	3	Present	3	0	3
11	Vishwas Pathak	NPD	NED/ID	7	6	Present	2	0	0
12	Vivek Kulkarni $	NPD	NED/ID	4	3	N.A.	1	0	0

* NPD - Non-Promoter Director; ED - Executive Director; NED - Non-Executive Director; ID - Independent Director; NID - Non Independent Director.
** In Indian Public Limited Companies.
*** In Audit Committee and Shareholders'/Investors' Grievance Committee of Indian Public Limited Companies.
@ Resigned as Director w.e.f. January 28, 2008
$ Inducted as Additional Directors w.e.f October 8, 2007.

Details of Board Meetings held during the year ended March 31, 2008:

Date of Board Meeting	03.05.07	24.07.07	31.07.07	08.10.07	19.10.07	22.11.07	31.01.08
Board Strength	9	9	9	12	12	12	11
No. of Directors Present	7	6	6	10	8	8	9

3. **Audit Committee**

Brief description of terms of reference:

- Review the financial reporting process and disclosure of its financial information.
- Review with the Management the annual / quarterly financial statements before submission to the Board for approval.
- Review with the Management, the performance of Statutory Auditors, Internal Auditors and the adequacy of internal control systems.
- Review the Company's accounting policies.
- Look into reasons for substantial defaults, if any, in payment to depositors, shareowners and creditors.
- Recommend the appointment, re-appointment and replacement or removal of Statutory Auditors and fixation of Audit Fee.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Other functions as required by applicable Regulations.

Composition of Committee and Attendance of Members:

Sr. No.	Name of Director and position	Meetings/Attendance			
		03.05.07	31.07.07	19.10.07	31.01.08
1.	Prakash Samant, Chairman @	Present	Present	Present	Present
2.	G.V. Desai, Member*$	Present	Present	N.A.	N.A.
3	Charudatta Naik, Member*	Present	Present	N.A.	N.A.
4.	Vishwas Pathak, Member	Present	Absent	Present	Present
5.	Balasubramanian N., Member**	N.A.	N.A.	Present	Present
6.	Anand Patkar**	N.A.	N.A.	Present	Present

@ Appointed as Chairman w.e.f. October 8, 2007
* Ceased to be Members w.e.f. October 8, 2007.
$ Ceased to be Chairman w.e.f October 8, 2007.
** Appointed as Members w.e.f. October 8, 2007

4. **Nomination & Remuneration Committee**

Brief description of terms of reference:

- Frame Company's policies on Board of Directors with the approval of the Board.
- Make recommendations for the appointments on the Board.
- Recommend compensation payable to the Executive Directors.
- Administer and supervise Employees Stock Option Schemes.
- Perform such other functions consistent with applicable regulatory requirements.

Composition of Committee and Attendance of Members:

Sr. No.	Name of Director and position	Meetings/Attendance				
		03.05.2007	05.10.2007	09.10.2007 (Adjourned Meeting of 05.10.2007)	25.01.2008	11.03.2008
1.	Balasubramanian N., Chairman @*	N.A.	N.A.	Present	Present	Present
2	Prakash Samant **	Present	Present	Present	Present	Present
3.	G.V.Desai, Member ***	Present	Present	N.A.	N.A.	N.A.
4.	Lee Sek Hong (Michael Lee)***	Present	Present	N.A.	N.A.	N.A.
5.	Deepak Vaidya*	N.A.	N.A.	Absent	Present	Present

@ Appointed as Chairman of the Committee w.e.f. October 8, 2007
* Appointed as Members w.e.f. October 8, 2007
** Ceased to be Chairman w.e.f. October 8, 2007
*** Ceased to be Members w.e.f. October 8, 2007

- Remuneration Policy: The Policy Dossier approved by the Board at its meeting held on August 11, 2006, inter alia, provides for the following:

Executive Directors:

- Salary and commission not to exceed limits prescribed under the Companies Act, 1956.
- Remunerate from time to time depending upon the performance of the Company, individual Director's performance and prevailing Industry norms.
- No sitting fees.
- No Employee Stock Option Scheme for Promoter Directors.

Non-Executive Directors:

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

Details of remuneration to all the Directors:

Sr. No.	Name of Director	Salary (Rs.)	Benefits (Rs.)	Bonus/ Commission (Rs.)	Performance linked incentives (along with Criteria)	Sitting fees (Rs.)	Total (Rs.)	Stock Options	Service Contract/ Notice period/ Severance fees/ Pension
1.	Manoj Tirodkar	-	-	-	-	210,000	210,000	Nil	Retirement by Rotation
2.	Charudatta Naik	-	-	-	-	55,000	55,000	# 5,00,000 @5,00,000 $ 3,25,000 ♠5,00,000	Retirement by Rotation
3	Deepak Vaidya	-	-	-	-	55,000	55,000	@2,00,000 ♠2,00,000	Retirement by Rotation
4	G.V. Desai	-	-	-	-	90,000	90,000	@2,00,000 ♠2,00,000	Retirement by Rotation
5	*Lee Sek Hong (Michael Lee)	-	-	-	-	15,000	15,000	▪▪ 2,00,000 ♠♠2,00,000	Retirement by Rotation
6.	Prakash Ranjalkar	18,00,000	29,40,400	-	NIL	-	4,740,400	## 4,80,000 @29,00,000 $$ 3,12,000 ♠29,00,000	^
7	Prakash Samant	-	-	-	-	110,000	110,000	@2,00,000 ♠2,00,000	Retirement by Rotation
8	S.S. Dawra	-	-	-	-	30,000	30,000	@2,00,000 ♠2,00,000	Retirement by Rotation
9	Vishwas Pathak	-	-	-	-	225,000	225,000	@2,00,000 ♠2,00,000	Retirement by Rotation
10.	Anand Patkar	-	-	-	-	55,000	55,000	Δ2,00,000	Retirement by Rotation
11.	Vivek Kulkarni	-	-	-	-	35,000	35,000	Δ2,00,000	Retirement by Rotation
12.	Balasubramanian N.	-	-	-	-	135,000	135,000	Δ5,00,000	Retirement by Rotation

* Resigned as Director w.e.f. January 28, 2008.

^ 3 years w.e.f. April 1, 2007 / Notice period 3 months / /NA/NA

\# Allotted on November 26, 2005 at the rate of Rs.10 per share, out of which 1,75,000 options got converted into equity shares on February 23, 2007 and 1,75,000 options got converted into equity shares on January 25, 2008.

@ Allotted on February 12, 2007 at the rate of Rs.29.81 per share and re-priced to Rs.19.90 on October 9, 2007 on account of Corporate Action namely Right Issue.

$ Allotted on October 9, 2007 at the rate of Rs.10 per share on account of Corporate Action namely Right Issue, out of which 1,75,000 options got converted into equity shares on January 25, 2008

♠ Allotted on October 9, 2007 at the rate of Rs.19.90 per share on account of Corporate Action namely Right Issue.

▪▪ Allotted on February 12, 2007 at the rate of Rs.29.81 per share and re-priced to Rs.19.90 on account of Corporate Action namely Right Issue. However, the same has lapsed on 11.3.08 due to resignation.

♠♠ Allotted on October 9, 2007 at the rate of Rs.19.90 per share on account of Corporate Action namely Rights Issue. However, the same has lapsed on 11.3.08 due to resignation.

\## Allotted on November 26, 2005 at the rate of Rs.10 per share, out of which 1,68,000 options got converted into equity shares on February 23, 2007.

$$ Allotted on October 9, 2007 at the rate of Rs.10 per share on account of Corporate Action namely Right Issue, out of which 1,68,000 options got converted into equity shares on January 25, 2007.

Δ Allotted on March 11, 2008 at a conversion price of Rs.33.60 per share.

Notes:

1. Each Option underlie equal number of equity share of face value of Rs 10/-
2. Apart from above, the Company does not have any other pecuniary relationship or transactions with the Directors.

5. Shareholders'/Investors' Grievance Committee

Brief description of terms of reference:

1. Look into the redressal of Shareholders' and Investors' complaints/grievances in respect of transfer of shares, non receipt of Balance Sheet, non receipt of declared dividends, etc.;
2. Review the certificate of the Practicing Company Secretary regarding timely action on transfer, sub-division, consolidation, renewal, exchange or endorsement of calls / allotment monies;
3. Oversee the performance of the Registrar and Share Transfer Agent and recommend measures for overall improvement in the quality of investor services;
4. 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;
5. 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; and
6. To carry out any other function as required by the Listing Agreement of the Stock Exchanges, Companies Act and other Regulations.

- ❑ Name of Non-Executive Director heading the Committee : Mr. Manoj Tirodkar
- ❑ Name and Designation of Compliance Officer : Mr. D.S. Gunasingh, Company Secretary
- ❑ Number of shareholders’ complaints received so far : 151
- ❑ Number resolved to the satisfaction of shareholders : 151
- ❑ Number of pending complaints : Nil

6. General Meetings

Location and time of GIL's last three AGMs with details of special resolutions passed:

Date	**September 30, 2005**	**September 27, 2006**	**June 20, 2007**
Time	11.00 a.m.	12.30 p.m.	12.00 noon
Venue	Electronic Sadan I, TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 710.	Vishnudas Bhave Natyagruh, Sector 16A, Vashi, Navi Mumbai - 400 703	Vishnudas Bhave Natyagruh, Sector 16A, Vashi, Navi Mumbai - 400 703
Details of Special Resolutions passed in the AGM		1. Issue of equity shares under Section 81 (1A) of the Companies Act, 1956 ("Act"). 2. Investments in securities, extending loans, giving guarantees and providing securities under Section 372A of the Act. 3. Adoption/Ratification of ‘GTL Infrastructure Limited- Employees Stock Option Scheme (ESOS 2005)’ along with amendment under Section 81 (1A) of the Companies Act, 1956. 4. Payment of commission to Non-Executive Directors of the Company.	1 Re-Appointment of Mr. Prakash Ranjalkar as a Whole-time Director for a period of three years with effect from April 1, 2007 and fixing of his remuneration under Sections 198, 269, 309 and schedule XIII of the Companies Act 1956 2. Adoption of ‘GTL Infrastructure Limited- Employees Stock Option Scheme (ESOS 2005)’ with certain modification under Section 81 (1A) of the Companies Act, 1956

- Special resolutions that were put through postal ballot last year; details of voting pattern:

  Not applicable as no special resolution was put through postal ballot in the last year.
- Person who conducted the postal ballot exercise: N.A.
- Whether special resolutions are proposed to be conducted through postal ballot:

  Yes, shall be conducted as per the provisions of the Companies Act, 1956.
- The procedure for postal ballot:

  Shall be as per the provisions of the Companies Act, 1956 and rules made thereunder.

7. Disclosures

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

  The Company does not have any material related party transactions, which may have potential conflict with its interests at large. In any case disclosures regarding the transactions with related parties are given in the notes to the Accounts.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets during the last three years:

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

  The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

Disclosure on Non Mandatory requirements:

- **The Board**

  Has a Non Executive Chairman. The expenses incurred by him in the performance of his duties are reimbursed. No policy has been laid down on tenure of Independent Directors.
- **Remuneration Committee**

  The Company has constituted a Nomination and Remuneration Committee and the full details of the same is available elsewhere in this report.
- **Shareholders' Rights**

  The Company is publishing quarterly audited financial results in the newspapers and is also displaying it on the Company's website www.gtlinfra.com, apart from displaying in stock exchange website. Accordingly it does not envisage to send the same separately to the households of the shareholders.
- **Audit Qualifications**

  The Company endeavours to maintain a regime of unqualified statements.
- **Training of Board Members**

  Prior to the appointment of the Directors, an invitation letter giving the background of the Company is sent to the Directors. On receiving their consent another letter containing the information on the terms of appointment; time commitment expected; powers & duties; special duties / arrangement attaching to the position; circumstances in which the office of the Director become vacant; expectation regarding involvement with Committee work; remuneration and expenses; superannuation arrangements; disclosure of Directors' interest which might affect their independence; and insider trading policy, code of conduct etc. is given to the Directors. Arrangements are also made for a presentation / facility visit by the Directors, either before or after their joining the Board. The Directors shall also be invited for the Business Conference of the Middle and Senior Management to enable the Company to get their input on the strategy, risk and working of the operations of the Company. The Company has also constituted a Risk Management Committee of Directors for monitoring risks.
- **Mechanism for evaluating Non-Executive Board Members**

  No policy has been laid down by the Company.
- **Whistle Blower Policy**

  The Company does not have any Whistle Blower Policy. However any employee, if he / she so desires, has free access to meet or communicate with the Senior Management and report any matter of concern.

8. Means of Communication

- **Quarterly results:**

  The Company's quarterly financial statements are generally published in Free Press Journal/Business Standard (English language) and in Mumbai Lakshadweep/Navashakti (local language). The financial statements are also displayed in the website of the Company.

- **Website where displayed:**

  http://www.gtlinfra.com.

- Whether it also displays official news releases: The Company displays official news releases, presentations made to institutional investors or to the analysts and other coverage in the above websites.

9. Management Discussions and Analysis Report

In line with the requirements of Clause 49, the Management Discussion and Analysis is also provided under various heads in this Annual Report.

10. General shareholder information

i. AGM: Date, time and venue — Date: June 13, 2008; Time: at 12.00 noon; Venue: Vishnudas Bhave Natyagruh, Sector 16A, Vashi, Navi Mumbai - 400 703.

ii. Financial Calendar for F.Y.2008-09

First Quarter Results	On or before July 31, 2008.
Second Quarter Results	On or before October 31, 2008.
Third Quarter Results	On or before January 31, 2009.
Fourth Quarter & Audited Annual Results	On or before June 30, 2009.

iii. Dates of book closure — June 12, 2008.

iv. Dividend Payment — No dividend has been declared.

v. Listing on Stock Exchanges — Equity shares listed at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

Foreign Currency Convertible Bonds (FCCB) issued by the Company during the year are listed on Singapore Exchange Securities Trading Limited

vi. Listing Fees for 2008-09 — BSE listing fees Rs.5,66,250/- paid on April 16, 2008.

NSE listing fees Rs.4,92,500/- paid on April 17, 2008.

Singapore Exchange Securities Trading Limited fees SGD 500.00 paid on March 18, 2008.

vii. Stock Codes:

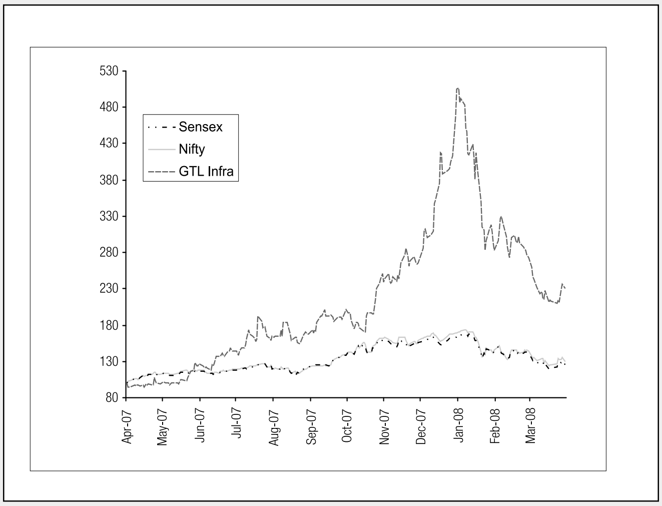
Stock Exchange/News Agency				**Stock Code**
Bombay Stock Exchange Limited (BSE)	:	Equity Shares	:	532775
National Stock Exchange of India Limited (NSE)	:	Equity Shares	:	GTLINFRA
Singapore Exchange Securities Trading Limited	:	FCCB	:	032920845
Equity ISIN			:	INE221H01019
FCCB ISIN			:	XS0329208457

viii. Market Price Data

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

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume (No.)
Apr-2007	36.80	32.00	7,264,654	36.60	32.10	7,092,040
May-2007	43.65	33.45	10,373,952	43.55	33.55	11,076,943
Jun-2007	50.45	40.00	21,458,183	50.50	40.00	24,096,428
Jul-2007	59.05	31.90	25,088,997	59.15	31.95	34,896,064
Aug-2007	37.10	31.15	13,443,265	37.15	31.10	23,517,053
Sep-2007	40.55	34.15	17,323,386	40.60	34.20	26,131,990
Oct-2007	50.50	34.35	66,153,767	50.50	34.30	68,874,699
Nov-2007	57.70	48.00	58,213,062	57.55	47.85	68,071,250
Dec-2007	94.55	56.85	129,006,432	94.50	56.60	200,838,472
Jan-2008	102.20	57.00	75,418,196	101.85	56.50	129,551,219
Feb-2008	66.60	55.00	16,160,170	66.35	54.70	24,084,348
Mar-2008	52.30	42.45	19,601,696	52.40	42.35	24,003,677

ix. **Performance in comparison to broad based indices such as BSE Sensex & NSE Nifty.**



x. **Registrar and Share Transfer Agents**

GTL Limited - Investor Services Centre, Electronic Sadan II, TTC Industrial Area, MIDC, Mahape, Navi Mumbai - 400 710.

GTL Limited is registered with the Securities and Exchange Board of India (SEBI) as a Category II Share Transfer Agent.

xi. **Share transfer system in physical form.**

The Company has in place a proper and adequate share transfer system. GTL Limited has been appointed to ensure that the share transfer system in physical form is maintained.

xii. **Distribution of Shareholding as on March 31, 2008.**

a. Distribution of Shareholding according to the size of holding:

No. of Shares	No. of Shareowners	% of Shareowners	Share Amount (Rs.)	% to Total
Upto 500	166,447	85.83%	26,064,958	3.55%
501 - 1000	14,694	7.58%	11,800,434	1.61%
1001 - 2000	6,887	3.55%	10,023,318	1.36%
2001 - 3000	2,228	1.15%	5,512,184	0.75%
3001 - 4000	828	0.43%	2,926,800	0.40%
4001 - 5000	829	0.43%	3,874,050	0.53%
5001 - 10000	1,060	0.54%	7,799,623	1.06%
10001 & ABOVE	954	0.49%	666,262,361	90.74%
TOTAL	**193,927**	**100.00%**	**734,263,728**	**100.00%**

b. Distribution of shares by shareholder category:

Category	Nos. of Shareowners	Nos. of Shares Held	Voting Strength
Promoters-Bodies Corporate	4	353,855,248	48.19%
Directors, their Relatives	13	6,919,124	0.94%
Bodies Corporate (Domestic) / Trusts	3,002	42,455,078	5.78%
Banks	15	262,147	0.04%
Mutual Funds	3	314	0.00%
Financial Institutions (FIs)	8	35,946,761	4.90%
Foreign Institutional Investors (FIIs)	21	13,817,210	1.88%
Non-Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign Banks	1,067	199,682,783	27.19%
Resident Individuals	189,794	81,325,063	11.08%
TOTAL:	**193,927**	**734,263,728**	**100.00%**

c. **Top 10 Shareholders;**

Name(s) of shareowners	Category (As per Depository)	Shares	%
GTL Ltd (Promoter)	Domestic Company	274,180,692	37.34%
Technology Infrastructure Limited	Other Foreign Body	172,395,700	23.48%
Global Holding Corporation Pvt Ltd (GHC) (Promoter Group)*	Domestic Company	79,674,556	10.85%
Infrastructure Development Finance Company Limited	Financial Institution	32,978,135	4.49%
Somerset Emerging Opportunities Fund	Other Foreign Body	18,523,755	2.52%
Bennett, Coleman and Company Limited	Domestic Company	8,820,000	1.20%
Dynamic Power Global Growth Class	Foreign Institutional Investors	6,873,200	0.94%
Manoj Gajanan Tirodkar	Director	6,002,783	0.82%
Goodman and Company Investment Counsel Ltd. A/c. DPF India Opportunities Fund	Foreign Institutional Investors	3,715,600	0.51%
Life Insurance Corporation of India	Financial Institution	2,014,518	0.27%

*GHC has set-up two wholly owned Subsidiaries namely GAH International Pte. Ltd. and GHC International Ltd. on June 5, 2007 and January 7, 2008 respectively, which are treated as part of the Promotors/Group.

xiii. Dematerialization of shares and liquidity

95.09% (excluding 4.82% which is in the process of listing/crediting in demat account) of the Company's shares are held in electronic form as on April 18, 2008.

xiv. Outstanding FCCBs, Warrants and ESOS conversion date and likely impact on equity

a. Foreign Currency Convertible Bonds (FCCBs)

i. Consequent to the de-merger, out of 8000 FCCBs issued by GTL Limited, 5794 FCCBs of the face value CHF 10,000 got split between GTL Limited and the Company into CHF 9029.13 and CHF 970.87 respectively on the Appointed Date. Between the Appointed Date (01.10.05) and the Record Date (14.06.06) 1037 FCCBs got converted. Out of the balance 4757 FCCBs, 3179 FCCBs got converted during the year 2006-07 leaving balance of 1578 as at 31.03.2007. All the balance 1578 FCCBs got converted into 5,713,220 equity shares during the year 2007-08 leaving nil balance at the end of the year.

ii. FCCB 2007: During the year the Company has issued fresh 3000 FCCBs of the face value of USD 100,000 amounting to USD 300 Million on 28.11.07 at the conversion price of Rs.53.04 per share. If all the outstanding FCCBs are converted into equity shares, the total share capital would go up by Rs. 2,222,850,680 (on account of issue of 222,285,068 new equity shares). Out of 3000 FCCBs issued 315 FCCBs got converted into 23,339,930 equity shares leaving balance of 2685 FCCBs at the end of year 2007-08.

b. Convertible Warrants

During the year the Company has issued 26,36,50,000 convertible warrants at a conversion price of Rs.40 per share. Out of 26,36,50,000 Warrants, 35,441,060 warrants got converted into 35,441,060 equity shares leaving balance of 228,208,940 warrants at the end of year 2007-08

c. Employees' Stock Option Plans (ESOPs)

With a view to enable its employees to participate in the future growth and success, the Company introduced Employee Stock Option Scheme 2005 (ESOS 2005) in the F.Y. 2005-06. The shareholders have authorised issue of shares, not exceeding 5% of the issued equity capital of the Company, to its employees in the form of stock options. As on March 31, 2008 a total of 77 employees (Previous Year 45) hold 1,77,62,500 stock options (Previous Year 85,22,500) as set out in the Annexure to the Directors' Report. As per the Scheme, during the year, 661,500 Options got converted into 661,500 equity shares of the Company.

xv. Plant Locations:

The Company does not have plants. The main activities of the Company are conducted from Electronic Sadan I, TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 710.

xvi. Address for correspondence

Registered Office
GTL Infrastructure Limited
Electronic Sadan No. I, MIDC,
TTC Industrial Area, Mahape,
Navi Mumbai - 400710 INDIA
Tel: +91-22-39112300

Investor Correspondence

All shareholders complaints/queries in respect of their shareholdings may be addressed to the ISC of GTL Limited, Electronic Sadan No. II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai - 400710 INDIA.

Contact Persons: Mr. Nagaraajan Iyer, General Manager, Investor Service Centre & Mr. Divesh R Sawant - Manager Shares & Systems

Tel.: +91-22-27612929 / 27684111 Extn. Nos. 2232-2235 FAX: +91-22-27680171.

Website: www.gtlinfra.com

Email: gilshares@gtlinfra.com

Queries relating to Financial Statements, company performance etc. may be addressed to :

Mr. Pinakin Gandhi

GTL Infrastructure Limited, 412, Janmabhoomi Chambers, 29, W. H. Marg, Ballard Estate, Mumbai 400 038.

Tel : +91-22-22613010 Fax +91-22-22619649 Email : pinaking@gtlinfra.com

Auditors' Certificate on Corporate Governance

To the Members of
GTL Infrastructure Limited

We have examined the compliance of conditions of corporate governance by GTL Infrastructure Limited, for the year ended on March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/ Investors' Grievance Committee.

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

For **BANSI S. MEHTA & CO.**
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : MUMBAI
DATED : April 18, 2008

Certificate of Practicing Company Secretary on Secretarial Compliance

To
The Board of Directors,
GTL Infrastructure Limited.

We have examined the registers, records, books and papers of GTL Infrastructure Limited ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act"), the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company ("the requirements") for the year ended March 31, 2008. Based on our examination as well as information and explanation furnished by the Company to us and the records made available to us, we hereby report that:

1. The requisite statutory registers and other records required under the Act and the Rules made thereunder have been maintained in accordance with the Act either in physical or electronic mode as applicable;
2. The requisite forms, returns and documents required under the Act and the Rules made thereunder to be filed with the Registrar of Companies and other authorities have been duly filed as per the requirements of the Act;
3. The requirements relating to the meetings of Directors and its Committee(s) thereof and of the Shareholders as well as relating to the minutes of the proceedings have been duly complied with;
4. There were only 3 (three) retirements of Directors who were re-elected in the last Annual General Meeting;
5. Due disclosures under the requirements of the statutes have been made by the Company. The Company has also complied with the requirements in pursuance of the disclosures made by its Directors;
6. The Company has complied with the provisions of Section 293(1)(a) and 293(1)(d) of the Act in respect of monies borrowed from financial institutions and banks and falling within the purview of those sections;
7. The Company has complied with the provisions of section 372A in respect of investments made during the financial year ending on March 31, 2008;
8. The Company has, wherever required, obtained the necessary approvals of the Board, Committee thereof, shareholders or any other authorities as per the requirements of the Act;
9. The Company has not defaulted in any of the provisions given under Section 274 (1) (g) of the Act, which would otherwise disqualify the Directors of the Company from acting as a Director of any other Company. It may be stated that the Company has not accepted any Fixed Deposits. The Annual Returns and the Annual Reports have been filed as required under the Act;
10. The issue and allotment of Equity Shares / Convertible Warrants / FCCBs is/are in conformity with the requirements of the Act;
11. The Company has complied with the requirements of the Act, FEMA, RBI Regulations and other allied Rules and Regulations in respect of the Foreign Direct Investment received by it;
12. The Company has allotted options under the Employees' Stock Option Scheme (ESOS) for its employees and during the year under review, the Company has complied with the relevant provisions of Employee Stock Option Scheme and Employee Stock Purchase Scheme Rules, 2002 of the Central Government, till listing of its equity shares and SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 thereafter, in respect thereof.

for **V.RAVIKUMAR & ASSOCIATES,**
Company Secretaries,

V. RAVIKUMAR
Practicing Company Secretary
FCS: 4568 / CP: 5213

Mumbai, April 15, 2008

Certificate of Whole-time Director and Chief Financial Officer on Financial Statements Under Clause 49 of the Listing Agreement

We, Prakash Ranjalkar, Whole-time Director and Shishir Parikh, Chief Financial Officer of GTL Infrastructure Limited hereby certify that:

a. We have reviewed financial statements and the cash flow statement for the Financial Year ended March 31, 2008 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's code of conduct.

c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee that:

   i. there have been no significant changes in internal control over financial reporting during the year;

   ii. there have been no significant changes in accounting policies during the year; and

   iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Navi Mumbai	**Prakash Ranjalkar**	**Shishir Parikh**
Dated : April 18, 2008	Whole-time Director	Chief Financial Officer

Declaration of Whole-time Director on Compliance With Code of Conduct Under Clause 49 of the Listing Agreement

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is displayed on the Company's website.

I confirm that the Company has in respect of the Financial Year ended March 31, 2008 received from each Member of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct as applicable to each one of them.

Place : Navi Mumbai	**Prakash Ranjalkar**
Dated : April 18, 2008	Whole-time Director

Information on Directors' Appointment / Re-appointment

The information on Directors recommended for appointment/re-appointment at the ensuing Annual General Meeting is as under:

Mr. Charudatta Naik, Non Independent Director

Mr. Naik has been a Member of the Board since inception of the Company on February 4, 2004. He retires by rotation in the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. Naik is an engineer in Electronics & Telecom and has an overall experience of 18 years in various telecom and system integration companies. He has played a vital role in introducing Fourth Generation Voice Switches and First Private Feature Transparent Network in India. He is the Whole-time Director and Chief Operating Officer of GTL Limited. He holds 4,85,900 equity shares of the Company. He also holds 18,25,000 options under Employee Stock Option Scheme of the Company.

Mr. S.S. Dawra, Independent Director

Mr. Dawra has been a Member of the Board since August 1, 2006. He retires by rotation in the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. Dawra is a retired I.A.S. officer belonging to the Punjab Cadre. The senior positions held by him includes Secretary in various Ministries of Govt. of India; Principal Secretary to Chief Minister of Punjab; Director of Enforcement (FERA); Chairman, Delhi Metro Rail Corp; Managing Director of Nafed & Markfed; and Secretary of ICAR. In his distinguished service, among other things, he had been responsible in initiating reforms in new pension scheme for Govt Employees, giving impetus to the Delhi Metro Rail Project, introducing new schemes in the area of hydrogen and solar energy and the changeover from FERA to FEMA.

He holds Directorships in HDIL, SPS Steel and Power Limited and Ambience Limited. He is a Member of the Audit Committee of HDIL and a Member of Audit Committee, Shareholders' Grievances' Committee and Remuneration and Compensation Committee of Ambience Limited. In GTL Infrastructure Limited, he is a Member of Business Review Committee of the Board. He does not hold any shares of the Company. He holds 4,00,000 options under Employee Stock Option Scheme of the Company.

Mr. Deepak Vaidya, Independent Director

Mr. Vaidya has been a Member of the Board since August 1, 2006. He retires by rotation in the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. Vaidya is a fellow of the Institute of Chartered Accountants (England & Wales) and holdes a degree in Commerce from Bombay University. He has an overall experience of more than 30 years. The assignments handled by him includes Partner of Bombay Office of Schroder Capital Partners Ltd; Consultant to various multinationals for entering Indian market place; Group Executive for Consolidated Home Executive Industries BV, Singapore; and owning and managing a number of businesses including a machine tool workshop and texturising plant in the man-made fibre industry. Mr. Vaidya has worked throughout the Region including Singapore, Indonesia and India. Mr. Vaidya represented Schroder Ventures Funds on a number of investee company boards in India. He was also the Indian representative on the International Advisory Board of the National Association of Securities Dealers. Mr. Vaidya is presently engaged in raising a Private Equity Fund for India under the umbrella of Deeva Capital.

He is a Chairman of Strides Arcolab Limited and Director of Orchid Chemicals & Pharmaceuticals Limited, Apollo Hospitals Enterprise Limited, Apollo Gleneagles Hospital Limited, PPN Power Generating Company Limited, Lodhi Property Company Limited (Formerly Hotel Scopevista Limited), Heritage Resorts Private Limited, P I Drugs & Pharmaceuticals Limited and Sequent Scientific Limited. He is Chairman of Shareholders'/Investors' Grievance Committee of Strides Arcolab Limited and is a Member of Audit Committee and Remuneration Committee. He is also Chairman of Audit Committee of Apollo Hospitals Enterprise Limited and is a Member of Remuneration & Nomination Committee. He is a Member of Audit Committee in Orchid Chemicals & Pharmaceuticals Limited. In P I Drugs & Pharmaceuticals Limited, he is a Chairman of Audit Committee and a Member of Remuneration Committee. He is a Chairman of the Audit Committee in Apollo Gleneagles Hospital Limited. In GTL Infrastructure Limited, he is a Chairman of Business Review Committee and is a Member of Nomination & Remuneration Committee and Shareholders'/Investors' Grievance Committee. He does not hold any shares of the Company. He holds 4,00,000 options under Employee Stock Option Scheme of the Company.

Dr. Anand Patkar, Independent Director

Dr. Patkar was appointed as an Additional Director in the Board Meeting held on October 8, 2007. As such he holds office up to the date of the ensuing Annual General Meeting.

Dr. Patkar is a rank holder in Management Studies and has done Ph. D in Management, has handled variety of assignments across all areas of Finance, Corporate Planning, Strategic Management, Mergers and Acquisitions, Collaboration and Joint Ventures, Feasibility Studies, Budgetary Control, HRD, Treasury and Systems in diverse industries. His senior level assignments includes as Group Treasurer and Systems Head of Greaves Limited. He is a Propritor of a firm Dr. A Patkar Associates. In GTL Infrastructure Limited, he is a Member of Audit Committee and Chairman of Cost & MIS Review Committee of the Board. He holds 2500 equity shares of the Company. He also holds 2,00,000 options under Employee Stock Option Scheme of the Company.

Mr. Vivek Kulkarni, Independent Director

Mr. Kulkarni was appointed as an Additional Director in the Board Meeting held on October 8, 2007. As such he holds office up to the date of the ensuing Annual General Meeting.

Mr. Kulkarni is a gold medalist in engineering from Karnataka University and a MBA from Wharton Business School. He was the IT (Information Technology) Secretary, Govt. of Karnataka, Bangalore. He worked actively in marketing, Bangalore as the undisputed IT capital of India. Prior to IT Secretary, he worked as Finance Secretary, Head of CRISIL Advisory Services, as well as Division Chief of SEBI. He was a faculty at the Boston University, as well as IIT Bangalore. He is charter member of TiE (The Indus Entrepreneurs). He is public interest director at the Bombay Stock Exchange Limited. He is also a Director of Brickwork India Private Limited and Brickwork Ratings India Private Limited. He is a Chairman of Technology Committee of Bombay Stock Exchange Ltd. In GTL Infrastructure Limited he is a Member of Business Review Committee of the Board. He does not hold any shares of the Company. He holds 2,00,000 options under Employee Stock Option Scheme of the Company.

Mr. Balasubramanian N, Independent Director

Mr. Balasubramanian was appointed as an Additional Director in the Board Meeting held on October 8, 2007. As such he holds office up to the date of the ensuing Annual General Meeting.

Mr. Balasubramanian is Postgraduate in Science and a Postgraduate from IIM, Ahmedabad. He served Bank of Baroda in rural and semi-urban branches. His service as Banker includes 5 years term as General Manager in Bank of Baroda at Brussels. He was associated with planning commission in preparing 5 years plan documents, focused on SME Financing as Chairman of the Sub-Committee. He was Instrumental in starting rating agency for SME. He joined SIDBI as Deputy Managing Director and was subsequently promoted as its Chairman and Managing Director. Mr. Balasubramanian has also served IFCI as Chairman for a short stint. He is a Director of Management Development Institute (MDI), Gurgaon, JP Morgan Mutual Fund India Pvt. Ltd., ICICI Venture Funds Management Company Limited, JBF Industries Limited and Stock Holding Corporation of India Limited. He is a Chairman of Audit Committee of Stock Holding Corporation of India Limited. In GTL Infrastructure Limited, he is a Chairman of Nomination & Remuneration Committee and also Risk Management Committee of the Board and a Member of Audit Committee, Allotment & Transfer Committee, Cost & MIS Review Committee, Business Review Committee, Securities Issuance Committee (FCCB 2007) and Securities Issuance Committee (Preference Issue) of the Board. He does not hold any shares of the Company. He holds 5,00,000 options under Employee Stock Option Scheme of the Company.

Accounts Section

Directors' Report

To

The Members.

Your Directors are pleased to present the Fifth Annual Report along with the Audited Accounts for the year ended March 31, 2008.

Rupees in Lacs

1. Financial Results

	Year Ended March 31, 2008 (12 Months)	Year Ended March 31, 2007 (9 Months)*
Total Income	13088.11	5192.80
PBDIT	6946.01	3558.03
Depreciation	8240.17	3340.86
PBIT	(1294.16)	217.18
Interest	700.24	356.78
Profit /(Loss) before tax	(1994.40)	(139.60)
Provision for taxation		
- Current	NIL	NIL
- Deferred	3905.45	2161.55
- Fringe Benefit	47.17	14.37
Net Profit /(Loss)	(5947.02)	(2315.52)

**Figures regrouped / reclassified wherever necessary to make them comparable*

2. Period of Financial Year

With a view to give effect to the Scheme of Arrangement and Reconstruction approved by the Hon'ble Mumbai High Court on April 28, 2006 from the Appointed Date viz October 1, 2005, it was decided to extend the period of the financial year 2005-06 by 3 months to end on June 30, 2006 and thereafter to close the financial year on March 31 every year beginning from financial year 2006-07. Accordingly, while the period of the previous financial year 2006-07 is 9 months, the period of the current financial year 2007-08 is 12 months.

3. Dividend

The Company is in the process of rolling out 23,700 towers. The execution of the project in respect of 6,010 sites is at various stages. Thus in view of the ongoing project execution, the capital-intensive nature of the business and the consequent loss on account of high depreciation and interest, no dividend has been proposed.

4. Operations

During the period under review, the Company has earned total income of Rs.130.88 Crores. As at March 31, 2008, the gross Fixed Assets stood up at Rs. 1334.41 Crores. The revenues are in the form of provisioning fees paid by our users for using the infrastructure provided. The Company has a depreciation charge of Rs. 82.40 Crores on the capital assets. The operations have resulted in a loss of Rs. 19.94 Crores after interest and depreciation but before tax. However the operations before depreciation and tax have resulted in cash profit of Rs. 62.46 Crores.

The high demand and growth potential for Shared Telecom Infrastructure has further encouraged the Company to commence the second phase of its project.

The Company's business model is gaining momentum. With the execution of two new Master Service Agreements with national level operators in the last quarter, the Company is currently servicing seven leading telecom operators and one WiMAX operator on its sites in India.

Business Strategy

As a strategic objective, the Company has been focusing on "Shared Telecom Infrastructure" and pursuing planned rollout of towers across all the circles in India to reach its objective. Your Company is following a dual approach of creating both Build to Suit and Proactive Sites.

The Company proposes to build, own and operate shared passive telecom infrastructure for approximately 23,700 sites by FY 2010-11.

The Company's business strategy also includes both organic and inorganic growth. The Company apart from rolling out a pan India network of towers also keeps its option open for inorganic growth.

New initiatives

India is witnessing the growth of Special Economic Zones, IT and other industrial parks and high-end commercial and residential complexes leading to the demand of additional communication infrastructure solutions in these areas. Many large establishments like retail shopping malls, hotels and resorts and other large commercial and residential complexes might require in-building solutions for improving the quality of telecom services. Typically in USA, tower companies obtained exclusive rights to install, operate and maintain such in-building systems by entering into lease agreements with property owners and then grant rights to wireless service providers to attach their equipments to their in-building systems for a fee under licenses that typically have an initial non-cancelable term of ten years. In this background, the Company proposes to provide in-building Communication Infrastructure Solutions. As outsourcing of passive telecom infrastructure gathers momentum in India, the Company also plans to provide a full range of services for maintaining the sites on a 24x7 basis.

Future Outlook

The telecom industry in India is poised for continued growth, with the robust net additions. Several new players have entered the telecom sector thereby expanding the list of clientele. These have enhanced the opportunities for Shared Network Infrastructure.

Further the allocation of 3G spectrum, implementation of WiMAX on commercial scale and roll-out of rural network will be the immediate growth drivers for the industry. The business model is expected to develop as the industry matures and the regulatory issues are addressed.

With the Company having established project management teams in the existing 15 circles, developed relationship with most of the Operators and in the process of rolling out 23,700 towers all over India, it is in a better position to establish itself as the leading Independent Service Provider in India.

5. Awards

Your Company was awarded with the 'Top Independent Infrastructure Provider' Award by Voice and Data Magazine in 2007. It also received the 'Best Shared Infrastructure Provider' Award from Tele.net in 2008. This is an indicator of the fact that the efforts of the Company to excel in its business are being acknowledged and appreciated across the industry, in its first year of commercial operations.

6. Share Capital

The Equity Share Capital of the Company has increased from Rs 332.82 Crores as on March 31, 2007 to Rs 734.26 Crores as of date as under:

Particulars	Share Capital (Rs Crores)
Share Capital as on 31.03.07	**332.82**
Allotment during the year	
- Shareholders (On rights basis)	336.29
- Promoter Group / Pre-demerger Shareholders (On preferential basis)	35.44
- FCCB Holders (On conversion of 2004 FCCBs)	5.71
- FCCB Holders (On conversion of 2007 FCCBs)	23.33
- ESOS Holders (On conversion of Options under ESOS)	0.67
Share Capital as on 31.03.08 / 18.04.08	**734.26**

7. FIPB Approval for Foreign Equity Participation upto 74%

Your Directors are pleased to inform you that, the Foreign Investment Promotion Board (FIPB) vide its letter dated April 5, 2008, has given its approval for Foreign Equity Participation upto 74% (Direct & Indirect) in the Paid-up Capital of the Company by issue of FCCB, GDR, ADR, QIP, Convertible Preference Shares and any other Convertible Instruments (on fully diluted basis).

8. Rights Issue

During the year under review, the Company raised Rs 336.29 Crores by allotment of Equity Shares at par in the ratio of 1:1 to the existing shareholders on rights basis for part financing of the Company's expansion plan.

9. Convertible Warrants (Warrants)

During the year under review, the Company issued 26.37 Crores warrants to the Promoter Group / Pre-demerger shareholders on preferential basis at a conversion price of Rs.40/- per share aggregating to Rs 1,054.60 Crores for meeting the capital expenditure, acquisition and other expenses. The status of warrants allotted, converted and outstanding is as under:

In Crores

Particulars	No. of Warrants	No. of Equity Shares upon conversion
Warrants Allotted	26.37	26.37
Less : Conversions upto 31.03.08	3.54	3.54
Outstanding as on 31.03.08*	22.83	22.83

*Position same as on 18.04.08 as no further conversion has taken place.

10. Foreign Currency Convertible Bonds (FCCBs)

During the year under review, the Company raised US $ 300 Million through Zero Coupon FCCBs at a conversion price of Rs. 53.04 per share for meeting the capital expenditure, acquisition and other expenses permitted by the regulatory authorities. The status of FCCBs allotted, converted and outstanding is as under:

Particulars	No of FCCBs (of US $ 1 lac each)	No. of Equity Shares upon conversion (In Crores)
FCCBs allotted	3000	22.23
Less : Conversion up to 31.03.08	315	2.33
Outstanding as on 31.03.08*	2685	19.90

*Position same as on 18.04.08 as no further conversion has taken place.

11. Liquidity

The Company has tied up funding for the total project cost of Rs 7,265 Crores.

The paid-up share capital of the Company as at March 31, 2007 was Rs 332.82 Crores. With a view to strengthen the capital base of the Company and also to improve on the debt equity ratio, the Company has raised Rs 336.29 Crores and US $ 300 Million through rights issue and FCCB issue respectively. The Company has also issued convertible warrants worth Rs 1,054 Crores on preferential basis.

Out of the long term funding commitments received from the domestic and international lenders aggregating to Rs 4,945 Crores, the Company has drawn Rs 1,399 Crores as of March 31, 2008.

The Company has liquid assets of Rs 1,441.64 Crores as at March 31, 2008. Pending capex deployment, surplus funds have been deployed in liquid assets so as to earn a return for the purpose of mitigating the interest burden on borrowed funds.

12. Fixed Deposits

The Company has not invited or accepted any deposits during the year under review from the public/shareholders.

13. Listing

The Equity Shares of the Company are listed both in Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Consequent to the issue of Foreign Currency Convertible Bonds (FCCBs) for US $ 300 Million, the said FCCBs of the Company are listed in Singapore Exchange Securities Trading Ltd, Singapore.

14. Corporate Governance

As the Equity Shares of the Company are listed with both BSE and NSE, in terms of Clause 49 of the Listing Agreement with Stock Exchanges (Clause 49) compliance report along with the Auditors' Certificate is provided in the Corporate Governance section of this Annual Report. In line with the requirements of Clause 49, Management Discussion and Analysis is also provided elsewhere in this Annual Report.

15. Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 and based on the information provided by the management, your Directors state that:

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

b) They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the loss of the Company for the period ended on that date;

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d) The annual accounts of the Company have been prepared on a going concern basis.

16. Particulars of Employees

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of employees are set out in the Annexure to Directors' Report.

In terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining copy of the same may write to the Company Secretary at the Registered Office. None of the employees listed in the said Annexure are related to any Director of the Company.

17. Employees Stock Option Scheme

With a view to enable its employees to participate in its future growth and success, the Company introduced Employee Stock Option Scheme 2005 (ESOS 2005) in FY 2005-06. The shareholders have authorized issue of shares, not exceeding 5% of issued equity capital of the Company, to its employees in the form of stock options. As on March 31, 2008, a total of 77 employees (Previous Year 45) hold 1.78 Crores stock options (Previous Year - 0.85 Crores) as under:

Particulars	No of Options
No. of outstanding options as on April 01, 2007	85,22,500
Add: No. of options issued during the year	1,08,21,500
Less: No. of options converted during the period	6,61,500
Less: No. of Options lapsed	9,20,000
Outstanding options as on March 31, 2008	1,77,62,500

The Company's ESOS Scheme 2005 is in three parts viz Part A - Special Grant, Part B - Annual Grant and Part C - Executive Grant. While the vesting in respect of Special Grant takes place over a period of 3 years based on the period of holding the Option, the vesting in respect of Annual Grant takes place over a period of 3 years based on the number of years of service of the employee and the vesting in respect of Executive Grant takes place over a period of 5 years based on the criticality of the functions discharged by the employees.

As required by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, the particulars of ESOS are set out in the Annexure to Directors' Report.

18. Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company is engaged in the business of providing Infrastructure Services and has no manufacturing activities. Its projects are under various stages of implementation. Accordingly, during the year under review, the Company has not absorbed, adopted and innovated any new technology and it has also not carried out R & D activity. Hence the details relating to Technology Absorption are not furnished. The particulars regarding Foreign Exchange Expenditures and Earnings appear as item numbers 24 and 25 respectively in the notes to the accounts. The details relating to conservation of energy are given in the annexure to the Directors' Report.

19. Directors

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mr. Charudatta Naik, Mr. S. S. Dawra and Mr. Deepak Vaidya retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. Accordingly their re-appointment forms part of the notice of ensuing AGM.

During the year under review Mr. Lee Sek Hong (Mr. Michel Lee) resigned as Director. The Board places on record its appreciation of the contribution of Mr. Michael Lee during his tenure as Director of the Company.

Mr.Balasubramanian N, Mr. Vivek Kulkarni and Dr. Anand Patkar were appointed as Additional Directors on October 8, 2007 pursuant to the provisions of Section 260 of the Companies Act,1956 and as such hold office up to the date of the ensuing AGM. In terms of Section 257 of the Companies Act, 1956, they are proposed to be appointed in the ensuing AGM.

Necessary resolutions for the appointments / re-appointments of the aforesaid Directors have been included in the notice convening the ensuing AGM. None of the Directors are disqualified from being appointed as Directors as specified in terms of Section 274 (1) (g) of the Companies Act, 1956.

20. Auditors

M/s Bansi S. Mehta & Co, Chartered Accountants, the Auditors of the Company due to their pre-occupation are unable to offer their services for reappointment. The Board of Directors in their meeting held on April 18, 2008, after ascertaining the eligibility of M/s. Chaturvedi & Shah, Chartered Accountants and M/s Yeolekar & Associates, Chartered Accountants, under Section 224 (1B) of the Companies Act 1956 and based on the Special Notice received for the said purpose, recommend the appointments of M/s. Chaturvedi and Shah, Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants, as Joint Auditors of the Company, in the ensuing AGM.

21. Promoter

The Company is promoted by GTL Ltd. The Promoter and Promoter Group hold 48.19% of the Equity Share Capital of the Company. It may be noted that for the purpose of inter se transfer under regulation 3(1)(e)(i) of SEBI (Acquisition of Shares and Takeovers) Regulations, 1997, the following inter alia shall fall within the definition of Group, as defined in the Monopolies and Restrictive Trade Practices Act, 1969:

1. GTL Limited
2. Global Holding Corporation Pvt. Ltd.
3. GAH International Pte. Ltd.
4. GHC International Limited
5. Mr. Manoj G. Tirodkar and his relatives (as defined under Companies Act, 1956) and
6. Finav Securities Pvt. Ltd.

22. Special Business

As regards the items of the Notice of the AGM relating to special business, the resolutions incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approvals of members to those proposals. The Members' attention is drawn to these items and Explanatory Statement annexed to the Notice.

23. General

Notes forming part of the Accounts are self-explanatory.

24. Acknowledgements

We would like to acknowledge with gratitude, the support and co-operation extended by shareholders, vendors, media, banks and financial institutions and look forward to their continued support. We appreciate the continued co-operation received from various regulatory authorities including Department of Telecommunications, Department of Economic Affairs, Department of Company Affairs, Registrar of Companies, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and Depositories. We also recognize and appreciate the sincere hard work, loyalty and efforts of the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Mumbai
April 18, 2008

Manoj G. Tirodkar
Chairman

Annexure to Directors' Report

ESOS 2005

At the Extraordinary General Meeting held on November 26, 2005, the shareholders of the Company approved issue of shares, not exceeding 5% of the issued equity capital of the Company, to its employees in the form of stock options. The exercise price for conversion of options issued prior to listing of the shares of the Company is the face value of each share at the time of grant. However, the exercise price for conversion of options issued after listing of the shares of the Company i.e after November 9, 2006 will be at a discount up to 25% of the market price (latest available closing price) of each share at the time of grant.

Prior to the Rights Issue vide Letter of Offer dated 24.7.07, the Company had granted 15,50,000, 74,90,000 and 25,000 options, each carrying the right to be allotted one equity share (face value of Rs.10/- each) of the Company at an exercise price of Rs.10/-, Rs 29.81/- and Rs 29.81/- per share, on 26.11.05 (Grant 1), 12.2.07 (Grant 2), and 27.2.07 (Grant 3) respectively to the eligible employees. Consequent to the Issue of shares on rights basis to the shareholders of the Company in the ratio of 1:1 and pursuant to Clause 15 of Employee Stock Option Scheme 2005 as amended from time to time (ESOS 2005), the Company has compensated the ESOS Holders by retaining the conversion price in respect of Grant 1 and re-fixing the conversion price in respect of Grants 2 and 3 at Rs 19.90/- per share; and also by allotting equal number of additional Options against the outstanding Options of Grants 1, 2 and 3 at the retained / re-fixed exercise prices (vide Grants 5, 6 & 7).

The Company had also granted 8,99,000 and 17,00,000 Options, each carrying the right to be allotted one equity share (face value of Rs 10/- each) of the Company at an exercise price of Rs 26.48/- and Rs 33.60/- on 9.10.07 (Grant 4) and 11.3.08 (Grant 8) respectively to the eligible employees.

The disclosures required as per the Employee Stock Option Scheme and Employee Stock Purchase Scheme Rules, 2002 are as under:

Sl. No.	Particulars	Status
A	Options Granted	1,98,86,500
B	Pricing formula	Prior to Listing: The exercise price for conversion of each option into one equity share is the face value of each share at the time of grant. After Listing: The exercise price for conversion of each option into one equity share is at a discount up to 25% of the market price (latest available closing price) of each share at the time of grant
C	Options vested	67,83,000
D	Options exercised	12,04,000
E	Total number of shares arising as a result of exercise of Options	12,04,000
F	Options lapsed	9,20,000
G	Variation of terms of Options	As stated above
H	Money realized by exercise of Options	Rs 1,20,40,000
I	Total number of Options in force	1,77,62,500
J	Employee wise details of Options granted to:	
	a. Senior Managerial Personnel	a. Details are furnished below**
	b. Any other employee who receives the grant in any one year, of Option amounting to 5% or more Options, granted during that year.	b. NIL
	c. Identified employees who were granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	c. NIL
K	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard 20 "Earning per Share"	F.Y. 07-08 / F.Y. 06-07 *EPS Intrinsic Value Method (0.80) (0.43) EPS Fair Value Method (0.92) (0.44) (*For details please refer Schedule S(5)(f) to the Balance Sheet as at March 31, 2008 forming part of this Annual Report).
L	Disclosure regarding the compensation Cost	The Company has calculated Employee Compensation Costs on the basis of Intrinsic Value method and has amortised Rs.34,332,531 (Previous Period Rs. 4,046,434) for the year ended on March 31, 2008. However, had the Company followed Fair Value Method for calculating Employee Compensation Costs, such cost for the year would have been higher by Rs.91,692,462 and the Net Loss after Taxes would have been lower by the like amount and consequently, the Basic as well as Diluted EPS would have been lower by Rs. 0.12 (*)
M	Weighted-Average exercise prices & Weighted-Average fair values	Weighted-Average exercise prices of the Options outstanding as at the year end - Rs. 20.78 and Weighted-Average fair value of options outstanding as at the year end - Rs. 26.10.
N	The description of the method and significant assumptions used during the year to estimate the fair value of the options.	The Company has adopted Black-Scholes Model for determining the fair value of Options and the significant assumptions used are: (i) Risk-free interest rate - Normally the yield of Government backed securities with maturity similar to that of the option is taken into consideration. (ii) Expected life - Full life of the option is the period upto which it can be exercised (iii) Expected volatility - Calculated by using the closing market prices of the company's shares during the last one year (iv) Expected dividends -yield has been calculated on the basis of dividend yield of the financial year preceding the date of the grant if any. (v) The price of the underlying share in market at the time of option grant - Closing market price on previous trading day on which the warrants are allotted on the Stock Exchange where the volume of shares traded is more.

****List of senior managerial personnel and the Options granted till March 31, 2008 (Cumulative)**

Sr.No.	Name	Options granted till March 31, 2008	Options outstanding as on March 31, 2008
1.	Dr. Anand Patkar	2,00,000	2,00,000
2.	Mr. B.R. Chatterji	2,00,000	2,00,000
3.	Mr. Charudatta Naik	18,25,000	13,00,000
4.	Mr. Deepak Vaidya	4,00,000	4,00,000
5.	Mr. D. S. Gunasingh	3,82,500	3,65,000
6.	Mr. G.V. Desai	4,00,000	4,00,000
7.	Mr. N. Balasubramanian	5,00,000	5,00,000
8.	Mr. Prakash Ranjalkar	65,92,000	64,24,000
9.	Mr. Prakash Samant	4,00,000	4,00,000
10.	Mr. Ravi Pandit	6,00,000	6,00,000
11.	Mr. Sadanand D Patil	11,00,000	11,00,000
12.	Mr. Shishir Parikh	9,02,000	6,08,000
13.	Mr. S.S. Dawra	4,00,000	4,00,000
14.	Mr. Vishwas Pathak	4,00,000	4,00,000
15.	Mr. Vivek Kulkarni	2,00,000	2,00,000

Conservation of Energy

The Company is in the business of providing passive infrastructure services. It has taken the following initiatives for conservation of energy in respect of its Telecom Towers.

Sr.No.	Particulars	Response
a.	Energy Conservation measures taken	• Identification of energy efficient air-conditioning systems with high EER (Energy Efficiency Ratio) • Free Cooling / Emergency Free cooling concept of air-conditioning systems to utilize cool ambient temperatures for reducing compressor running • Wide input voltage range SMPS with minimum derating at lower input voltages • Shelter designs with higher insulation characteristics and compartmental shelter layouts • Encapsulated enclosures for outdoor type BTS equipments • Fuel Optimizer method of DG running interleaved with battery backup • Usage of Energy Star rated products tube lights, appliances • Optimal Power sizing with upgradeability as site load increases
b.	Additional Investments and proposals, if any, being implemented for reduction of consumption of energy	• Single phase site designs • Solar Photovoltaic Voltage (SPV) systems • Wind turbines which can be mounted on the telecom towers • Gas based Generator sets in selected regions • Generating awareness of Energy Management among the operation and maintenance engineers.
c.	Impact of measures at (a) & (b) for reduction of energy consumption and consequent impact on the cost of production of goods	With the above solutions, the Company expects to reduce the energy costs up to 5-9%.

For and on behalf of the Board of Directors

Mumbai
April 18, 2008

Manoj G. Tirodkar
Chairman

Auditors' Report For the Financial Year Ended on March 31, 2008

To the Members of

GTL INFRASTRUCTURE LIMITED

1. We have audited the attached Balance Sheet of **GTL INFRASTRUCTRE LIMITED**, As At March 31, 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies' (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
   a. We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
   c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
   e. Without qualifying our opinion, we draw attention to Note 6 (II) (b) under Schedule S to Accounts. The Company is of the view that the liability to pay the premium on redemption of Foreign Currency Convertible Bonds is contingent on redemption/conversion by the bondholders thereof, and as the ultimate outcome of the matter cannot be presently determined, provision for liability, if any, that may result in the future is not considered necessary and accordingly, such premium has been reflected as a contingent liability; and
   f. On the basis of the written representations received from directors as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   g. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
      ii. In the case of Profit and Loss Account, of the loss for the year ended on that date; and
      iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **BANSI S. MEHTA & CO.**
Chartered Accountants

PLACE : MUMBAI
DATED : April 18, 2008

PARESH H. CLERK
Partner
Membership No. 36148

Annexure to the Auditors' Report (Referred to in Paragraph (3) of our Report of even date)

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

i. a. The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.

b. We are informed that the Company has framed programme of periodical physical verification of its fixed assets in phased manner more particularly, situated at various locations which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In terms of such programme, during the year, physical verification of the fixed assets at the various locations was carried out by the management during the year and no material discrepancy was noticed on such verification.

c. The Company has not disposed off a substantial part of its fixed assets during the year.

ii. As the Company is not engaged in manufacturing activities or trading activities, it does not hold any inventory and therefore, Clause 4 (ii) (a) and Clause 4 (ii) (b) of the Order relating to conduct and procedures of physical verification of inventories and Clause 4 (ii) (c) of the Order relating to maintenance of records for inventories, etc. are not applicable.

iii. a. As per the information furnished, during the immediately preceding financial year, the Company had granted unsecured loan aggregating Rs.70,000,000 to a company covered in the register maintained under Section 301 of the Companies Act, 1956.

In our opinion, the rate of interest and other terms and conditions of the said unsecured loan given by the Company are not, prima facie, prejudicial to the interest of the Company.

The Company to whom the aforesaid loan had been granted has been regular in payment of interest. During the year, the principal amount has been repaid by such Company.

The Company to whom the aforesaid loan had been granted has repaid the said loan during the year and hence, there is no overdue amount as on the Balance Sheet date.

As per the information furnished, during the year, the Company has not granted any loan to companies, firms or other parties covered in the register, maintained under Section 301 of the Companies Act, 1956.

b. As the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act, Clause 4 (iii) (f) of the Order relating to the rate of interest and other terms and conditions, whether prima facie prejudicial to the interest of the Company and Clause 4 (iii) (g) relating to regularity of payment of the principal amount and interest, are not applicable.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not noted any continuing failure to correct major weakness in the internal controls during the course of the audit.

v. a. According to the information and explanations given to us and the records of the Company examined by us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered into the register required to be maintained under that Section;

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.

vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence, the question of complying with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder, does not arise.

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

viii. As the Company is not engaged in manufacturing activities, the question of the Central Government prescribing maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 does not arise, and accordingly, Clause 4 (viii) of the Order requiring to comment thereon is not applicable.

ix. a. According to the information and explanations given to us and the records examined by us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Customs Duty, Excise Duty, Cess and other material Statutory dues as applicable with the appropriate authorities and there were no arrears of such Statutory dues as on March 31, 2008 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the following dues have not been deposited by the Company on account of dispute:

Name of the Statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Punjab Value Added Tax Act, 2005	Penalty for non-payment of sales tax on lease of assets to customers	*165,683	-	Deputy Excise and Taxation Commissioner (Appeals), Patiala, Punjab

* Net of Rs. 55,230 paid under protest.

Annexure to the Auditors' Report (Referred to in Paragraph (3) of our Report of even date)

The Company has deposited Rs.232,664, under protest, against the disputed Income Tax demand of the like amount for the assessment year 2005-06.

In addition, according to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.

x. As the Company has been registered for a period less than five years, Clause 4(x) of the Order requiring to comment upon whether accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and whether the Company has incurred cash losses in such financial year and in the financial year immediately preceding such financial year is not applicable.

xi. According to the information and explanations given to us and records of the Company examined by us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders as at the Balance Sheet date.

xii. According to the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. As the Company is not a chit fund, Nidhi, mutual benefit fund or a society, Clause 4 (xiii) of the Order is not applicable.

xiv. According to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of the proper records of the transactions and contracts and making of timely entries therein are not applicable.

xv. According to the information and explanations given to us, as the Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirements of Clause 4 (xv) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Company, is not applicable.

xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilisation of the funds for the intended use.

xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short term basis have not been utilised for long term investments.

xviii. According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4(xviii) of the Order relating to allotment of shares to parties covered under Section 301 of the Companies Act, 1956 are not applicable.

xix. According to the information and explanations given to us, as the Company has not issued any debentures, the question of creating security or charges in respect thereof does not arise.

xx. We have verified the end-use of money raised during the year by issue of Rights Equity Shares and Foreign Currency Convertible Bonds and the same is disclosed by the management in Note 21 under Schedule S to Accounts.

xxi. Based on the audit procedures performed and information and explanations given to us by the management, we report that, no fraud, on or by the Company, has been noticed or reported during the course of our audit.

For **BANSI S. MEHTA & CO.**
Chartered Accountants

PLACE : MUMBAI
DATED : April 18, 2008

PARESH H. CLERK
Partner
Membership No. 36148

Balance Sheet As At March 31, 2008

	Schedule	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
SOURCES OF FUNDS:				
Shareholders' Funds				
Share Capital	A	7,342,637,280		3,328,198,810
Amount for Preferential Convertible Warrants		912,835,760		NIL
Employee Stock Options Outstanding (Net of Deferred Employee Compensation Expense)		34,332,531		4,046,434
Reserves and Surplus	B	1,979,335,311		199,302,121
			10,269,140,882	3,531,547,365
Loan Funds				
Secured Loans	C	13,990,047,138		7,120,895,883
Unsecured Loans	D	10,766,850,000		57,132,327
			24,756,897,138	7,178,028,210
Deferred Tax Liability (Net)			**742,097,689**	351,552,608
		Total	**35,768,135,709**	11,061,128,183
APPLICATION OF FUNDS:				
Fixed Assets	E			
Gross Block		13,344,107,171		4,824,827,070
Less: Accumulated Depreciation		1,310,834,305		519,077,854
Net Block		12,033,272,866		4,305,749,216
Capital Work-in-progress		7,904,951,325		5,392,983,059
[Includes Capital Advances Rs.609,099,454 (Previous Period Rs.112,944,103)]			**19,938,224,191**	9,698,732,275
Investments	F		**663,363,000**	1,304,417,091
Current Assets, Loans and Advances				
Sundry Debtors	G	422,051,301		131,365,380
Cash and Bank Balances	H	13,756,412,580		304,205,330
Loans and Advances	I	2,334,026,884		547,682,318
		16,512,490,765		983,253,028
Less: Current Liabilities and Provisions	J			
Current Liabilities		2,282,472,739		1,270,033,097
Provisions		3,459,360		528,742
		2,285,932,099		1,270,561,839
Net Current Assets			**14,226,558,666**	(287,308,811)
Miscellaneous Expenditure (to the extent not written off or adjusted)	K		**NIL**	NIL
Profit and Loss Account				
As per Account Annexed			**939,989,851**	345,287,628
		Total	**35,768,135,709**	11,061,128,183
Significant Accounting Policies	R			
Notes to Accounts	S			

As per our report of even date attached

For **BANSI S. MEHTA & CO.**
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

Mumbai
Date : April 18, 2008

For and on behalf of the Board of Directors

MANOJ TIRODKAR
Chairman

PRAKASH RANJALKAR
Whole-time Director

D.S. GUNASINGH
Company Secretary

Profit And Loss Account for The Year Ended March 31, 2008

	Schedule	Rupees	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
INCOME				
Sale of Services	L		1,245,815,168	499,600,742
Other income	M		62,995,837	19,679,423
		Total	**1,308,811,005**	519,280,165
EXPENDITURE				
Cost of Sales and Services	N		250,212,414	8,951,346
Employee Cost	O		181,977,742	57,313,784
Administration and Other Expenses	P		182,019,558	97,211,551
Interest and Finance Cost / (Income) (Net)	Q		70,024,556	35,677,925
Depreciation	E		824,016,831	334,085,753
		Total	**1,508,251,101**	533,240,359
PROFIT / (LOSS) BEFORE TAX			**(199,440,096)**	(13,960,194)
LESS :				
Provision for Taxation				
- Current		NIL		NIL
- Deferred		390,545,081		216,155,392
- Fringe Benefit		4,717,046		1,437,176
			395,262,127	217,592,568
PROFIT / (LOSS) AFTER TAX			**(594,702,223)**	(231,552,762)
ADD :				
Balance brought forward from the previous period			(345,287,628)	(113,734,866)
PROFIT / (LOSS) CARRIED TO BALANCE SHEET			**(939,989,851)**	(345,287,628)
EARNINGS PER SHARE (in Rupees-Per Equity Share of Rs. 10 each)				
- Basic and Diluted			**(0.80)**	(0.43)
Significant Accounting Policies	R			
Notes to Accounts	S			

As per our report of even date attached

For **BANSI S. MEHTA & CO.**
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

Mumbai
Date : April 18, 2008

For and on behalf of the Board of Directors

MANOJ TIRODKAR
Chairman

PRAKASH RANJALKAR
Whole-time Director

D.S. GUNASINGH
Company Secretary

	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
SCHEDULE A : SHARE CAPITAL		
AUTHORISED:		
3,000,000,000 (Previous Period 1,500,000,000) Equity Shares of Rs. 10 each	30,000,000,000	15,000,000,000
50,000,000 (Previous Period 50,000,000) Preference Shares of Rs.100 each	5,000,000,000	5,000,000,000
	35,000,000,000	20,000,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
734,263,728 (Previous Period 332,819,881) Equity Shares of Rs. 10 each fully paid-up	7,342,637,280	3,328,198,810
	7,342,637,280	3,328,198,810

Notes:

i. The Company has granted 19,886,500 (Previous Period 9,065,000) share options under the Employee Stock Option Scheme 2005 (ESOS). As regards vesting/exercising thereof, Refer Note 5 to Schedule S. During the year, by way of ESOS Conversion, the Company has allotted 661,500 (Previous Period 542,500) Equity Shares of the Face Value of Rs. 10 each.

ii. During the year, by way of Rights Issue, the Company has allotted 336,288,137 (Previous Period NIL) Equity Shares of the Face Value of Rs. 10 each for cash at par in the ratio of one equity share for every one share held.

iii. During the year, out of FCCBs transferred under the Scheme of Arrangement between the Company and GTL Limited, on conversion thereof, the Company has allotted 5,713,220 (Previous Period 15,264,229) Equity Shares of the Face Value of Rs. 10 each at par. Further, out of Conversion of FCCBs issued by the Company during the year, 23,339,930 (Previous Period NIL) Equity Shares of the Face Value of Rs. 10 each at a Premium of Rs. 43.04 each have been allotted.

iv. During the year, by way of Preferential Convertible Warrants, the Company has allotted 35,441,060 (Previous Period NIL) Equity Shares of the Face Value of Rs. 10 each for cash at a Premium of Rs. 30 each.

	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
SCHEDULE B : RESERVES AND SURPLUS		
Securities Premium Account		
On Conversion of Foreign Currency Convertible Bonds	1,004,550,588	NIL
On Conversion of Preferential Convertible Warrants	1,063,231,800	NIL
	2,067,782,388	NIL
Less: Foreign Currency Convertible Bonds and Rights Issue Expenses	287,749,198	NIL
[Refer Note 8 to Schedule S]	1,780,033,190	NIL
Reconstruction Reserve		
As per last Balance Sheet		
Created in terms of the Scheme of Arrangement	199,302,121	199,302,121
	1,979,335,311	199,302,121
SCHEDULE C : SECURED LOANS		
Rupee Term Loans		
From Financial Institutions	NIL	350,000,000
From Banks [includes Rs. 26,794 (Previous Period Rs. 916,843) for Interest accrued and due]	11,132,923,165	6,181,395,883
Foreign Currency Loans		
From Financial Institutions	1,264,000,000	589,500,000
From Banks	1,593,123,973	NIL
	13,990,047,138	7,120,895,883

Notes:

i. The Term Loans repayable within one year - Rs. 404,047,403 (Previous Period Rs. 270,440)

ii. Securities for Loans - Refer Note 6 (I) to Schedule S

	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
SCHEDULE D : UNSECURED LOANS		
Foreign Currency Convertible Bonds [For terms of issue - Refer Note 6(II) to Schedule S]	10,766,850,000	57,132,327
	10,766,850,000	57,132,327

SCHEDULE E : FIXED ASSETS

Amount in Rupees

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 01, 2007	During the Year		As At March 31, 2008	Upto March 31, 2007	During the Year		Upto March 31, 2008	As At March 31, 2008	As At March 31, 2007
		Additions	Sale/Adjustment			For the year	Sale / Adjustment			
Tangibles Assets										
Land	NIL	6,146,550	NIL	6,146,550	NIL	NIL	NIL	NIL	6,146,550	NIL
Buildings (Notes 1 and 2)	213,218,878	408,817,151	24,163,654	597,872,375	4,220,030	7,185,928	842,693	10,563,265	587,309,110	208,998,847
Plant and Equipments	4,512,681,345	8,095,395,010	79,616,082	12,528,460,273	500,590,253	782,501,969	31,325,165	1,251,767,057	11,276,693,216	4,012,091,089
Electrical Equipments	33,661,626	8,886,687	NIL	42,548,313	860,796	4,413,066	NIL	5,273,862	37,274,451	32,800,830
Computers	24,559,247	23,728,645	778,361	47,509,531	4,540,297	11,865,627	NIL	16,405,924	31,103,607	20,018,951
Office Equipments	12,382,910	30,391,889	139,009	42,635,790	3,112,794	8,881,337	92,522	11,901,609	30,734,181	9,270,116
Furniture and Fixtures	21,373,684	45,627,088	NIL	67,000,772	4,878,448	7,479,091	NIL	12,357,539	54,643,233	16,495,238
Vehicles	6,949,381	1,710,672	NIL	8,660,053	875,236	1,420,641	NIL	2,295,877	6,364,176	6,074,145
Intangibles Assets										
Software	NIL	3,273,514	NIL	3,273,514	NIL	269,172	NIL	269,172	3,004,342	NIL
TOTAL (A)	**4,824,827,070**	**8,623,977,206**	**104,697,105**	**13,344,107,171**	**519,077,854**	**824,016,831**	**32,260,380**	**1,310,834,305**	**12,033,272,866**	**4,305,749,216**
CAPITAL WORK IN PROGRESS (B)	**5,392,983,059**	**5,468,222,680**	**2,956,254,414**	**7,904,951,325**	**NIL**	**NIL**	**NIL**	**NIL**	**7,904,951,325**	**5,392,983,059**
GRAND TOTAL (A+B)	**10,217,810,129**	**14,092,199,886**	**3,060,951,519**	**21,249,058,496**	**519,077,854**	**824,016,831**	**32,260,380**	**1,310,834,305**	**19,938,224,191**	**9,698,732,275**
Previous Nine Months Period Ended on March 31, 2007	**6,392,820,619**	**8,939,009,153**	**5,114,019,642**	**10,217,810,130**	**193,281,821**	**334,677,202**	**8,881,169**	**519,077,854**	**9,698,732,275**	

Notes :

1. Buildings include cost of certain immovable properties aggregating to Rs.172,721,384 (Previous Period Rs.208,325,421) for which deeds of conveyance have yet to be executed in favour of the Company.
2. Buildings include Rs.7,000 towards cost of 70 shares of Rs.100 each in a Co-operative Housing Society.
3. Sale / Adjustments of Capital Work-in-Progress is for transfer to the relevent assets capitalised during the year.

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
SCHEDULE F : INVESTMENTS			
NON-TRADE			
Own Investments			
Long Term			
Unquoted			
Equity Shares			
GTL Management Services and Projects Private Limited 336,300 (Previous Period 1,286,300) Equity Shares of Rs.10.00 each, fully paid	3,363,000		12,863,000
Preference Shares			
GTL Management Services and Projects Private Limited NIL (Previous Period 22,000,000) 0.01%, 6 years Cumulative Redeemable Preference Shares of Rs.10.00 each, fully paid	NIL		220,000,000
GTL Management Services and Projects Private Limited NIL (Previous Period 20,000,000) 0.01%, 5 years Cumulative Redeemable Preference Shares of Rs.10.00 each, fully paid	NIL		200,000,000
Quoted			
Equity Shares			
Union Bank Of India Limited NIL (Previous Period 38,722) Equity Shares of Rs.10.00 each, fully paid (During the Year - Purchased - NIL and Sold - 38,722 Equity Shares)	NIL		4,259,420
Indian Bank NIL (Previous Period 69,810) Equity Shares of Rs.10.00 each, fully paid (During the Year - Purchased - NIL and Sold - 69,810 Equity Shares)	NIL		6,352,710
	Sub Total [A]	**3,363,000**	443,475,130
Current			
Quoted			
Units of Mutual Funds			
ABN Amro Liquid Growth Plan - units of Rs 10.00 each (During the Year - Purchased - 8,182,601 units, Dividend Reinvested - NIL units and Sold - 8,182,601 units)	NIL		NIL
ABN Amro Money Plus Institutional Growth Plan - units of Rs 10.00 each (During the Year - Purchased - 8,462,048 units, Dividend Reinvested - NIL units and Sold - 8,462,048 units)	NIL		NIL
ABN Amro Floating Rate Fund - Institutional Plus Growth Plan - units of Rs 10.00 each (During the Year - Purchased - 10,000,000 units, Dividend Reinvested - NIL units and Sold - 10,000,000 units)	NIL		NIL
AIG India Treasury Plus Fund Super Institutional Growth - units of Rs 10.00 each (During the Year - Purchased - 10,000,000 units, Dividend Reinvested - NIL units and Sold - 10,000,000 units)	NIL		NIL
AIG Short Term Fund Institutional Growth - units of Rs 1000.00 each 50,000 (Previous Period NIL) units of Rs.1000.00 each (During the Year - Purchased - 50,000 units, Dividend Reinvested - NIL units and Sold - NIL units)	50,000,000		NIL

Schedules to the Balance Sheet As At March 31, 2008

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
AIG India Liquid Fund Institutional Growth - units of Rs 1000.00 each (During the Year - Purchased - 91,372 units, Dividend Reinvested - NIL units and Sold - 91,372 units)	NIL		NIL
Bank of Baroda Mutual Fund - Bank of Baroda Liquid Fund Growth Plan - units of Rs.10.00 each (During the Year - Purchased - 1,052,507 units, Dividend Reinvested - NIL units and Sold - 1,052,507 units)	NIL		NIL
Birla Cash Plus - Institutional Premium Growth - units of Rs 10.00 each (During the Year - Purchased - 34,664,180 units, Dividend Reinvested - NIL units and Sold - 34,664,180 units)	NIL		NIL
Birla Sunlife Interval Income Institutional -Monthly- Series 1 - units of Rs. 10.00 each (During the Year - Purchased - 9,857,170 units, Dividend Reinvested - NIL units and Sold - 9,857,170 units)	NIL		NIL
Birla Floating Rate Fund Short Term Growth - units of Rs.10.00 each (During the Year - Purchased - 3,791,929 units, Dividend Reinvested - NIL units and Sold - 3,791,929 units)	NIL		NIL
Can Bank Mutual Fund - Can FMP3 plan - units of Rs. 10.00 each (During the Year - Purchased - 8,600,000 units, Dividend Reinvested - NIL units and Sold - 8,600,000 units)	NIL		NIL
Canara Robeco Floating Rate Short Term Growth Fund - units of Rs. 10.00 each (During the Year - Purchased - 4,885,149 units, Dividend Reinvested - NIL units and Sold - 4,885,149 units)	NIL		NIL
Canara Roreco Liquid Fund-Institutional- Growth - units of Rs. 10.00 each (During the Year - Purchased - 5,951,725 units, Dividend Reinvested - NIL units and Sold - 5,951,725 units)	NIL		NIL
DBS Chola Mutual Fund - DBS Chola Liquid Institutional Plus - Cumulative units of Rs.10.00 each (During the Year - Purchased -17,006,874 units, Dividend Reinvested - NIL units and Sold - 17,006,874 units)	NIL		NIL
DBS Chola Mutual Fund - DBS Chola Liquid Super Institutional - Plan - Cumulative units of Rs 10.00 each (During the Year - Purchased - 46,594,599 units, Dividend Reinvested - NIL units and Sold - 46,594,599 units)	NIL		NIL
DBS Chola Mutual Fund - DBS Chola Short Term Floating Rate - Cumulative-units of Rs. 10.00 each (During the Year - Purchased - 124,022,967 units, Dividend Reinvested - NIL units and Sold - 124,022,967 units)	NIL		NIL
DWS Insta Cash Plus Fund Super Institutional Growth Plan - units of Rs 10.00 each (During the Year - Purchased - 32,510,392 units, Dividend Reinvested - NIL units and Sold - 32,510,392 units)	NIL		NIL

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
DWS Insta Cash Plus Fund - Institutional Plan - Growth - units of Rs 10.00 each (During the Year - Purchased - 17,944,941 units, Dividend Reinvested - NIL units and Sold - 17,944,941 units)	NIL		NIL
Fidelity Mutual Fund - Fidelity Cash Fund Institutional Growth Plan. - units of Rs. 10.00 each (During the Year - Purchased - 41,964,394 units, Dividend Reinvested - NIL units and Sold - 41,964,394 units)	NIL		NIL
Franklin Templeton Floating Rate Income Fund Short Term Plan Institutional Option Growth - units of Rs.10.00 each (During the Year - Purchased - 89,261,333 units, Dividend Reinvested - NIL units, Sold - 80,592,503 units and Switch Out - 8,668,830 units to Franklin Templeton Treasury Management Account Super Institutional Growth)	NIL		NIL
Franklin Templeton Treasury Management Account Super Institutional - Growth units of Rs. 1000.00 each (During the Year - Purchased - 987,343 units, Dividend Reinvested - NIL units, Sold - 1,074,237 units and Switch In - 86,894 units from Templeton Floating Rate Income Fund Short Term Plan Institutional Option - Growth)	NIL		NIL
Franklin Templeton - Templeton Floating Rate Income Fund Short Term Plan Retail Option Growth - units of Rs.10.00 each (During the Year - Purchased - 1,752,257 units, Dividend Reinvested - NIL units and Sold - 1,752,257 units)	NIL		NIL
HDFC Mutual Fund -HDFC Cash Management Fund - Savings Plan - Growth units of Rs.10.00 each (During the Year - Purchased - 83,680,660 units, Dividend Reinvested - NIL units, Sold - 65,858,101units , Switch Out - 9,047,685 units to HDFC Floating Rate Fund Short Term Plan - Wholesale Option - Growth and 8,774,874 units to HDFC Cash Management Fund - Savings Plus Plan-Wholesale-Growth)	NIL		NIL
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth units of Rs 10.00 each. (During the Year - Purchased - NIL units, Switch In - 7,582,420 units from HDFC Liquid Fund- Premium Plan Growth and 11,194,621 units From HDFC Cash Management Fund and Sold - 18,777,041 units)	NIL		NIL
HDFC Liquid Fund - Premium Plan - Growth units of Rs 10.00 each (During the Year - Purchased - 58,862,796 units, Dividend Reinvested - NIL units, Sold - 47,419,359 units and Switch Out - 11,443,437 units to HDFC Floating Rate Fund - Short Term Plan Whole Sale Option Growth.)	NIL		NIL

Schedules to the Balance Sheet As At March 31, 2008

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
HDFC Cash Management Fund - Saving Plus Plan - Wholesale - Growth units of Rs 10.00 each (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units, Sold - 8,416,420 units and Switch In - 8,416,420 units from HDFC Cash Management Fund - Savings Plan - Growth)	NIL		NIL
HDFC Liquid Fund - Premium Plus Plan - Growth units of Rs 10.00 each (During the Year - Purchased - 6,228,589 units, Dividend Reinvested - NIL units, and Sold - 6,228,589 units)	NIL		NIL
HDFC FMP 90D January 2008 (VI) - Wholesale Plan Growth - units of Rs 10.00 each 10,000,000 (Previous Period NIL) units of Rs.10.00 each (During the Year - Purchased - 10,000,000 units, Dividend Reinvested - NIL units and Sold - NIL units)	100,000,000		NIL
HSBC Mutual Fund - HSBC Cash Fund - Institutional Plus - Growth - units of Rs 10.00 each (During the Year - Purchased - 99,628,020 units, Dividend Reinvested - NIL units and Sold - 99,628,020 units)	NIL		NIL
HSBC Mutual Fund - HSBC Floating Rate Fund Short Term Institutional Plan - units of Rs 10.00 each (During the Year - Purchased - 53,516,041 units, Dividend Reinvested - NIL units and Sold - 53,516,041 units)	NIL		NIL
ICICI Mutual Fund - ICICI Prudential Liquid Plan - Super Institutional Growth units of Rs.10.00 each (During the Year - Purchased - 434,511,299 units, Dividend Reinvested - NIL units, Sold - 430,412,244 units and Switch Out - 4,099,055 units to ICICI Prudential Floating Rate Plan-C-Short Term Growth)	NIL		NIL
ICICI Mutual Fund - ICICI Prudential Floating Rate Plan -C -Short Term Growth - units of Rs.10.00 each (During the Year - Switch In - 3,832,692 units from ICICI Prudential Liquid Plan - Super Institutional Growth, Dividend Reinvested - NIL units and Sold - 3,832,692 units)	NIL		NIL
ING Fixed Maturity Fund - 34 Institutional Growth - units of Rs 10.00 each (During the Year - Purchased - 10,000,000 units, Dividend Reinvested - NIL units and Sold - 10,000,000 units)	NIL		NIL
ING Liquid Fund Institutional - Growth Option units of Rs 10.00 each (During the Year - Purchased - 46,075,076 units, Dividend Reinvested - NIL units and Sold - 46,075,076 units)	NIL		NIL
ING Liquid Fund Super Institutional - Growth Option units of Rs 10.00 each (During the Year - Purchased - 109,175,890 units, Dividend Reinvested - NIL units and Sold - 109,175,890 units)	NIL		NIL

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
JP Morgan Mutual Fund -JP Morgan India Liquid Fund - Growth Plan - units of Rs.10.00 each (During the Year - Purchased - 17,459,167 units, Dividend Reinvested - NIL units Sold - 15,510,856 units and Switch Out - 1,948,311 units to JP Morgan India Liquid Plus Fund -Growth Plan)	NIL		NIL
JP Morgan Mutual Fund -JP Morgan India Liquid Plus Fund - Growth Plan units of Rs.10.00 each (During the Year - Switch In - 1,945,318 units from JP Morgan India Liquid Fund - Growth Plan and 4,573,526 units from JP Morgan India Liquid Fund - Dividend Plan- Reinvest , Dividend Reinvested - NIL units and Sold - 6,518,844 units)	NIL		NIL
JP Morgan Mutual Fund -JP Morgan India Liquid Fund - Dividend Plan - Reinvest units of Rs.10.00 each (During the Year - Purchased - 4,706,282 units, Dividend Reinvested - 822 units, Sold - NIL units and Switch Out - 4,707,104 units to JP Morgan India Liquid Plus Fund -Growth Plan)	NIL		NIL
J.M.High Mutual Fund -J.M.High Liquidity Fund-Institutional Plan-Growth units of Rs.10.00 each (During the Year - Purchased - 3,668,763 units, Dividend Reinvested - NIL units and Sold - 3,668,763 units)	NIL		NIL
Kotak Floater Short Term - Growth - units of Rs.10.00 each (During the Year - Purchased - 48,030,603 units, Dividend Reinvested - NIL units and Sold - 44,645,475 units and Switch Out - 3,385,128 units to Kotak Flexi Debit Scheme - Growth)	NIL		NIL
Kotak FMP - 3M Series 26 - Growth units of Rs 10.00 each (During the Year - Purchased - 12,000,000 units, Dividend Reinvested - NIL units and Sold - 12,000,000 units)	NIL		NIL
Kotak Flexi Debt Scheme - Growth units of Rs 10.00 each (During the Year - Switch In - 3,571,881 units from Kotak Floater Short Term - Growth, and Dividend Reinvested - NIL units and Sold - 3,571,881 units)	NIL		NIL
Kotak Liquid (Institutional Premium) - Growth units of Rs 10.00 each (During the Year - Purchased - 14,901,650 units, Dividend Reinvested - NIL units and Sold - 14,901,650 units)	NIL		NIL
LIC Mutual Fund - Liquid Fund - Growth Plan - units of Rs.10.00 each (During the Year - Purchased - 184,635,705 units and Sold 167,298,668 units and Switch Out 17,337,036 units to LIC Liquid Plus Fund - Growth Plan, Dividend Reinvested NIL units)	NIL		NIL
LIC Mutual Fund - Liquid Plus Fund - Growth Plan - units of Rs.10.00 each (During the Year - Purchase 18,607,661 units, Dividend Reinvested - NIL units, Sold - 23,834,179 units and Switch In - 5,226,518 units from LIC MF Liquid Fund Growth Plan units)	NIL		NIL

Schedules to the Balance Sheet As At March 31, 2008

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
LIC Mutual Fund - LIC Floating Rate Fund - Short Term Plan - Growth - units of Rs.10.00 each NIL(Previous Period 751,654) units of Rs.10.00 each (During the Year - Purchased - 284,115,913 units, Dividend Reinvested - NIL units and Sold - 284,867,567 units)	NIL		9,000,000
LIC Mutual Fund - LICMF- FMP Series 27-3 Months - Growth Plan - units of Rs.10.00 each (During the Year - Purchased - 9,000,000 units, Dividend Reinvested - NIL units and Sold - 9,000,000 units)	NIL		NIL
Lotus India Mutual Fund - Lotus India FMP- 3 Months Series IX- Growth - units of Rs. 10.00 each (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units, Switch In 6,912,828 units from Lotus India FMP-3 Months- Series II- Institutional Dividend and Switch Out 6,912,828 units to Lotus India FMP-3 Months Series XV- Growth)	NIL		NIL
Lotus India Mutual Fund - Lotus India FMP-3 Months- Series XV - Growth - units of Rs 10.00 each (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units, Sold - 7,074,796 units and Switch In 7,074,796 units from Lotus India FMP- 3 Months Series IX- Growth)	NIL		NIL
Lotus India FMP - 3 Months Series XIX Growth - units of Rs 10.00 each (During the Year - Purchased - 12,000,000 units, Dividend Reinvested - NIL units, Sold - 249,119 units, Rollover - 11,750,881 units in LIC FMP - 3 Months Series - XXIV Growth)	NIL		NIL
Lotus India FMP - 3 Months Series XXIV Growth - units of Rs 10.00 each 12,000,000 (Previous Period NIL)units of Rs.10.00 each. (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units, Sold - NIL units and Rollover - 12,000,000 units from LIC FMP -3 Month Series - XIX - Growth)	120,000,000		NIL
Lotus India FMP - 3 Months Series XXV Growth - units of Rs 10.00 each 6,000,000 (Previous Period NIL) units of Rs. 10.00 each. (During the Year - Purchased - 6,000,000 units, Dividend Reinvested - NIL units and Sold - NIL units)	60,000,000		NIL
Lotus India Mutual Fund - Lotus India FMP-3 Months- Series II- Institutional Dividend units of Rs 10.00 each NIL (Previous Period 6,814,242) units of Rs.10.00 each. (During the Year - Purchased - NIL units, Dividend Reinvested - 97,550 units, Sold - NIL units and Switch Out 6,911,791 units to Lotus India FMP- 3 Months Series IX- Growth)	NIL		68,142,418
Lotus India Mutual Fund - Lotus India FMP-3 Months- Series IV- Institutional Growth - units of Rs.10.00 each (During the Year - Purchased - 7,000,000 units, Dividend Reinvested - NIL units and Sold 7,000,000 units)	NIL		NIL

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
Lotus India Mutual Fund - Lotus Liquid Fund Institutional Growth - units of Rs.10.00 each (During the Year - Purchased - 41,065,905 units, Dividend Reinvested - NIL units and Sold - 41,065,905 units)	NIL		NIL
Lotus India Mutual Fund - Lotus Liquid Fund Institutional Plus Growth- units of Rs.10.00 each (During the Year - Purchased - 59,346,630 units, Dividend Reinvested - NIL units and Sold - 59,346,630 units)	NIL		NIL
Lotus India Mutual Fund - Lotus Liquid Fund Super Institutional Growth - units of Rs.10.00 each (During the Year - Purchased - 118,330,474 units, Dividend Reinvested - NIL units and Sold - 118,330,474 units)			
Lotus India FMP-1 Month Ser. VII - Growth- units of Rs. 10.00 each 5,000,000 (Previous Period - NIL) units of Rs. 10.00 each (During the Year - Purchased - 5,000,000 units, Dividend Reinvested - NIL units and Sold - NIL units)	50,000,000		NIL
Mirae Asset Liquid Fund Institutional - Growth - units of Rs.10.00 each (During the Year - Purchased - 103,939 units, Dividend Reinvested - NIL units and Sold - 103,939 units)	NIL		NIL
Principal Mutual Fund - Principal Floating Rate Fund Institutional Option Growth - units of Rs.10.00 each (During the Year - Purchased - 252,459 units, Dividend Reinvested - NIL units and Sold - 252,459 units)	NIL		NIL
Principle Cash Management Fund- Liquid Option Institutional Premium Growth - units of Rs.10.00 each (During the Year - Purchased - 163,582,911 units, Dividend Reinvested - NIL units, Sold -149,074,943 and Switch Out - 14,507,968 units to Principal Floating Rate Fund SMP Institutional Option Growth Plan)	NIL		NIL
Principal Mutual Fund - Principal Floating Rate Fund SMP Institutional Option Growth - units of Rs.10.00 each (During the Year - Purchased - 54,999,766 units, Dividend Reinvested - NIL units, Sold - 57,318,397 units, Switch In - 14,383,686 units from Principal Cash Management Fund Liquid Option Institutional Premium Growth Plan and Switch Out - 12,065,055 units to Principal Cash Management Fund FMP Institutional Option Growth Plan)	NIL		NIL
Principal Mutual Fund - Principal Floating Rate Fund FMP Institutional Option Growth - units of Rs 10.00 each (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units, Sold - 11,992,644 units and Switch In - 11,992,644 units from Principal Floating Rate Fund SMP Institutional Option Growth Plan)	NIL		NIL

Schedules to the Balance Sheet As At March 31, 2008

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
Reliance Mutual Fund - Reliance Quarterly Interval Fund Series II nstitutional Growth - units of Rs.10.00 each (During the Year - Purchased - 3,830,000 units, Dividend Reinvested - NIL units and Sold - 3,830,000 units)	NIL		NIL
Reliance Mutual Fund - Reliance Floating Rate Fund -Growth Plan units of Rs.10.00 each (During the Year - Purchased - 51,817,844 units, Dividend Reinvested - NIL units and Sold - 47,808,960 units, and Switch Out - 4,008,883.69 units to Reliance Liquid Plus Fund - Institutional Option - Growth Plan)	NIL		NIL
Reliance Liquid Fund - Treasury Plan Institutional Option - Growth Plan - units of Rs 10.00 each (During the Year - Purchased - 15,674,955 units, Dividend Reinvested - NIL units and Sold - 15,674,955 units)	NIL		NIL
Reliance Liquid Plus Fund - Institutional Option - Growth Plan - units of Rs 10.00 each (During the Year - Purchased - 95,289 units and Sold - 141,757 units) (Switch In - 46,468 units from Reliance Floating Rate Fund - Growth Plan - Growth option)	NIL		NIL
Reliance Liquidity Fund Growth - units of Rs 10.00 each (During the Year - 44,903,935 units , Dividend Reinvested - NIL units and Sold - 44,903,935 units)	NIL		NIL
SBI Magnum Insta Fund- Magnum Insta Cash Fund Liquid Floater Plan Growth - units of Rs.10.00 each (During the Year - Purchased - 18,872,899 units, Dividend Reinvested - NIL units and Sold - 18,872,899 units)	NIL		NIL
SBI Premier Liquid Fund - Institutional - Growth - units of Rs.10.00 each (During the Year - Purchased - 14,155,729 units, Dividend Reinvested - NIL units and Sold - 14,155,729 units)	NIL		NIL
Standard Chartered Mutual Fund- Standard Chartered Liquid Manager Plus Growth units of Rs 10.00 each (During the Year - Purchased - 600,263 units, Dividend Reinvested - NIL units and Sold - 600,263 units)	NIL		NIL
Tata Mutual Fund - Tata Floating Rate Short Term Institutional Plan- Growth units of Rs 10.00 each (During the Year - Purchased - 54,448,531 units, Dividend Reinvested - NIL units, Sold - 38,393,877 units and Switch Out - 16,054,654 units to Tata Floater Fund - Growth)	NIL		NIL
Tata Mutual Fund - Tata Liquid Super High Investment Fund- Appreciation units of Rs. 10.00 each (During the Year - Purchased - 643,926 units, Dividend Reinvested - NIL units, Sold - 626,453 units, and Switch Out - 17,473 units to Tata Treasury Manager SHIP Growth)	NIL		NIL

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
Tata Mutual Fund - Tata Floater Fund - Growth - units of Rs. 10.00 each (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units,Sold - 17,019,555 units and Switch In - 17,019,555 units From Tata Floating Rate Fund ST. Institutional - Plan Growth)	NIL		NIL
Tata Mutual Fund - Tata Treasury Manager SHIP Growth - units of Rs. 10.00 each (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units, Sold -24,625 units and Switch In 24,625 units From Tata Liquid Super High Inv. Fund - Appreciation)	NIL		NIL
Unit Trust of India - UTI Fixed Maturity Plan Quarterly Series Growth Plan - units of Rs 10.00 each NIL (Previous Period 26,045,125) units of Rs.10.00 each. (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units , Sold - NIL units, Switch Out - 11,441,184 units to UTI Liquid Plus Fund Institutional Plan and Switch Out 14,603,941 units to UTI Fixed Maturity Plan Half yearly Series - Institutional Growth Plan)	NIL		260,451,254
Unit Trust of India - UTI Fixed Income Interval Fund- Quarterly Interval Plan Series-I Institutional Growth Fund - units of Rs 10.00 each (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units, Sold - 11,779,416 units and Switch In - 11,779,416 units from UTI Liquid Plus Fund Institutional Plan)	NIL		NIL
Unit Trust of India - UTI Fixed Income Interval Fund- Monthly Series- units of Rs. 10.00 each 11,613,503 (Previous Period NIL) units of Rs.10.00 each. (During the Year - Purchased -11,613,503 units, Dividend Reinvested - NIL units and Sold -NIL units)	120,000,000		NIL
Unit Trust of India - UTI Fixed Maturity Plan Half yearly Series - Institutional Growth Plan - units of Rs.10.00 each (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units, Switch In - 15,000,000 units from UTI Fixed Maturity Plan Quarterly Series - Growth Plan and Switch Out - 15,000,000 units to UTI Liquid cash Plan Institutional Growth Option)	NIL		NIL
Unit Trust of India - UTI Fixed Maturity Plan QFMP- Institutional - Growth Plan units of Rs. 10.00 each 6,000,000 (Previous Period NIL) units of Rs.10.00 each. (During the Year - Purchased -6,000,000 units, Dividend Reinvested - NIL units and Sold - NIL units)	60,000,000		NIL
Unit Trust of India - UTI Fixed Maturity Plan HFMP 03/08 - I- Institutional Growth Plan 10,000,000 (Previous Period NIL) units of Rs.10.00 each (During the Year - Purchased -10,000,000 units, Dividend Reinvested - NIL units and Sold - NIL units)	100,000,000		NIL

Schedules to the Balance Sheet As At March 31, 2008

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
UTI Floating Rate Fund - Short Term Plan - Growth Option - units Rs 1000.00 each (During the Year - Purchased -39,814 units, Dividend Reinvested - NIL units and Sold - 39,814 units)	NIL		NIL
Unit Trust of India - UTI Liquid Plus Fund Institutional Plan - units of Rs.1000.00 each (During the Year - Purchased - NIL units, Dividend Reinvested - NIL units, Sold - 46,913 units, Switch In - 116,227 units from UTI Fixed Maturity Plan Quarterly Series Growth Plan and 46,913 units from UTI Liquid Cash Plan Institutional - Growth Option and Switch Out - 116,227 units to UTI Fixed Income Interval Fund- Quarterly Interval Plan Series-I- Institutional Growth Option)	NIL		NIL
Unit Trust of India - UTI Liquid Cash Plan Institutional Growth Option - units of Rs.1000.00 each (During the Year - Purchased - 1,314,294 units, Dividend Reinvested- NIL units, Sold- 1,396,755 units, Switch In - 120,477 units from UTI Fixed Maturity Plan Half Yearly Series - Institutional Growth Plan and Switch Out - 38,015 units To UTI - Liquid Plus Fund Institutional - Growth Plan)	NIL		NIL
	Sub Total [B]	**660,000,000**	337,593,672
Investments Under Portfolio Management Schemes (PMS)			
(i) With Sethi Funds Management Private Limited			
Long Term			
In Equity Shares			
Dish TV India Limited ** (During the Year - Purchased - NIL and Sold - 1,817 Equity Shares of Rs.10.00 each, fully paid)	NIL		NIL
In Mutual Funds			
Benchmark MF Liquid BEES NIL (Previous Period 0.9360) units of Rs.1000 each (During the Year - Purchased - NIL units, Dividend Reinvested - 0.564 units and Sold - 1.50 units)	NIL		936
Cash And Cash Equivalents			
Cash and Other Current Assets / (Liabilities) (Net)	NIL		3,246,773
	Sub Total [C(i)]	**NIL**	3,247,709

** The Company was holding 3,161 Equity Shares of Rs.1.00 each of Zee Entertainment Limited. During the Year, the Company has received 1,817 Equity Shares of Re.1.00 each of Dish TV India Limited pursuant to the Scheme of Demerger of Zee Entertainment Limited

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
(ii) With UTI A.M.C Private Limited - P.M.S. Division			
Long Term			
In Equity Shares			
ABB Limited # NIL (Previous Period 2,428) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - 109 and Sold - 11,370 Equity Shares)	NIL		7,328,583
Ahmednagar Forgings Limited. NIL (Previous Period 22,119) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - 265 and Sold - 22,384 Equity Shares)	NIL		5,087,446
Amtek Auto Limited. NIL (Previous Period 15,730) Equity Shares of Rs.2.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 15,730 Equity Shares)	NIL		4,985,754
Bajaj Automobiles Limited. NIL (Previous Period 3,090) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 3,090 Equity Shares)	NIL		8,317,759
Bharti Airtel Limited. NIL (Previous Period 19,327) Equity Shares of Rs.10 each, fully paid. (During the Year - Purchased - 1,467 and Sold -20,794 Equity Shares)	NIL		8,903,348
Bharat Heavy Electricals Limited NIL (Previous Period 6,099) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - NIL, Received - 5,169 as Bonus Shares and Sold - 11,268 Equity Shares)	NIL		14,197,631
Bombay Rayon Fashions Limited NIL (Previous Period 32,966) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 32,966 Equity Shares)	NIL		7,546,000
Cipla Limited NIL (Previous Period 33,727) Equity Shares of Rs.2.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 33,727 Equity Shares)	NIL		8,636,465
Cromption Greaves Limited NIL (Previous Period 27,370) Equity Shares of Rs.2.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 27,370 Equity Shares)	NIL		4,268,956
Deccan Chronicle Holding Limited # NIL (Previous Period 35,470) Equity Shares of Rs.2.00 each, fully paid. (During the Year - Purchased - 1,511 and Sold - 36,981 Equity Shares)	NIL		4,946,194
Emco Limited NIL (Previous Period 6,871) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - 79 and Sold - 6,950 Equity Shares)	NIL		4,240,381
Geodesic Information System Pvt.Ltd (Previous Period 22,657 Equity Shares) (During the Year - Purchased - 822, Received - 11,180 as Bonus Shares and Sold - 34,659 Equity Shares)	NIL		5,867,632
Gujarat Ambuja Cement Limited NIL (Previous Period 52,093) Equity Shares of Rs.2.00 each, fully paid. (During the Year - Purchased - 16,309 and Sold - 68,402 Equity Shares)	NIL		7,511,795

Schedules to the Balance Sheet As At March 31, 2008

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
Havells India Limited NIL (Previous Period 11,972) Equity Shares of Rs.5.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 11,972 Equity Shares)	NIL		3,552,222
HDFC Bank Limited NIL (Previous Period 8,827) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 8,827 Equity Shares)	NIL		9,384,294
ICICI Bank Limited NIL (Previous Period 9,279) Equity Shares of Rs.10.00 each, fully paid. During the Year - Purchased - 3,309 and Sold - 12,858 Equity Shares)	NIL		6,178,347
ICSA (India) Limited. (During the Year - Purchased - 4864 and Sold - 4,864 Equity Shares of Rs. 10.00 each)	NIL		NIL
Infosys Technologies Limited. NIL (Previous Period 7,514) Equity Shares of Rs.5.00 each, fully paid. (During the Year - Purchased - 1,016 and Sold - 8,530 Equity Shares)	NIL		14,360,945
Infotech Enterprises Limited NIL (Previous Period 17,275) Equity Shares of Rs.5.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 17,275 Equity Shares)	NIL		3,693,556
Kalpataru Power Transmission Limited NIL (Previous Period 5,140) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 5,140 Equity Shares)	NIL		4,213,808
KEI Industries NIL (Previous Period 48,314) Equity Shares of Rs.2.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 48,314 Equity Shares)	NIL		3,151,064
Larsen and Tubro Limited. NIL (Previous Period 7,617) Equity Shares of Rs.2.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 7,617 Equity Shares)	NIL		9,951,957
Lloyd Electric & Engg. Limited (During the Year - Purchased - 28,716 and Sold - 28,716 Equity Shares of Rs.10.00 each)	NIL		NIL
Maharashatra Seamless Ltd. NIL (Previous Period 11,046) Equity Shares of Rs.5.00 each, fully paid. (During the Year - Purchased - 142 and Sold - 11,188 Equity Shares)	NIL		5,379,284
Mahindra and Mahindra Limited. NIL (Previous Period 13,577) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 13,577 Equity Shares)	NIL		10,170,604
Maruti Udyog Limited. NIL (Previous Period 6,191) Equity Shares of Rs.5.00 each, fully paid. (During the Year - Purchased - 438 and Sold - 6,629 Equity Shares)	NIL		5,640,686
Nagarjuna Construction Company Limited NIL (Previous Period 27,774) Equity Shares of Rs.5.00 each, fully paid. (During the Year - Purchased - 2,431 and Sold - 30,205 Equity Shares)	NIL		4,167,452

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
Praj Industries Limited (During the Year - Purchased - 21,799 and Sold - 21,799 Equity Shares of Rs.2.00 each)	NIL		NIL
Reliance Communication Limited NIL (Previous Period 26,073) Equity Shares of Rs.5.00 each, fully paid. (During the Year - Purchased - 2,339 and Sold - 28,412 Equity Shares)	NIL		11,325,215
Reliance Industries Limited. NIL(Previous Period 10,044) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - 1,329 and Sold - 11,373 Equity Shares)	NIL		11,824,857
Satyam Computers Limited. NIL (Previous Period 31,320) Equity Shares of Rs.2.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 31,320 Equity Shares)	NIL		13,129,830
Siemens India Limited NIL (Previous Period 5,133) Equity Shares of Rs.2.00 each, fully paid. (During the Year - Purchased - 1,198 and Sold - 6,331 Equity Shares)	NIL		5,483,389
Spanco Telesystems and Solutions Limited (During the Year - Purchased - 22,360 and Sold - 22,360 Equity Shares of Rs. 10.00 each)	NIL		NIL
Suzlon Energy Limited NIL (Previous Period 9,924) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - 1,968 and Sold - 11,892 Equity Shares)	NIL		12,288,246
Sun Pharmaceuticals Industries Limited NIL (Previous Period 518) Equity Shares of Rs.5.00 each, fully paid. (During the Year - Purchased - 4,428 and Sold - 4,946 Equity Shares)	NIL		538,189
Sun Pharmaceuticals Advance Research Limited * (During the Year - Purchased - NIL and Sold - 3,118 Equity Shares of Rs. 5.00 each, fully paid)	NIL		NIL
Tata Consultancy Services Limited. NIL (Previous Period 8,740) Equity Shares of Rs.1.00 each, fully paid. (During the Year - Purchased - 752 and Sold - 9,492 Equity Shares)	NIL		9,007,692
Tata Motors Limited NIL (Previous Period 9,860) Equity Shares of Rs.10.00 each, fully paid. (During the Year - Purchased - NIL and Sold - 9,860 Equity Shares)	NIL		8,434,523
Tanla Solutions Limited (During the Year - Purchased - 11,613 and Sold - 11,613 Equity Shares of Rs. 2.00 each)	NIL		NIL

* The Company was holding 3,118 Equity Shares of Rs.5.00 each of Sun Pharmaceuticals Industries Limited. During the Year, the Company has received 3,118 Equity Shares of Re.5.00 each of Sun Pharmaceuticals Advance Research Limited pursuant to the Scheme

During the Year, Share of Face Value of Rs. 10.00 per share is split in to 2 Equity Shares of Rs.2.00 each fully paid up.

Schedules to the Balance Sheet As At March 31, 2008

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
In Units of Mutual Funds			
UTI Mutual Fund - UTI Cash Plan Daily Dividend	NIL		259,636,846
NIL (Previous Period 254,684) units of Rs.1000.00 each.			
(During the Year -Purchased - 49,046 units , Dividend Reinvested - 5,748 units and Sold - 309,478 units)			
UTI Mutual Fund - UTI Cash Plan Weekly Dividend units of Rs.1000.00each	NIL		12,036,021
NIL (Previous Period 11,778) units of Rs.1000.00 each.			
(During the Year - Purchased - 52,586 units, Dividend Reinvested - 240 units and Sold - 64,604 units)			
Cash And Cash Equivalents			
Cash and Other Current Assets / (Liabilities) (Net)	NIL		4,713,609
	Sub Total [C(ii)]	**NIL**	520,100,580
	Total C	**NIL**	523,348,289
	TOTAL [A+B+C]	**663,363,000**	1,304,417,091

INVESTMENTS	**As At March 31, 2008**		As At March 31, 2007	
AGGREGATE VALUE OF	**Book Value Rupees**	**Market Value / Net Asset Value Rupees**	Book Value Rupees	Market Value / Net Asset Value Rupees
Quoted Investments				
Own	**660,000,000**	**664,993,758**	348,205,802	349,684,920
Under Portfolio Management Scheme	**NIL**	**NIL**	523,348,289	531,572,922
Unquoted Investments				
Own	**3,363,000**	**NIL**	432,863,000	NIL
	663,363,000	**664,993,758**	1,304,417,091	881,257,842

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
SCHEDULE G : SUNDRY DEBTORS			
Unsecured and Considered Good			
- For a period exceeding six months		67,611,868	56,764,099
- Others		354,439,433	74,601,281
		422,051,301	131,365,380
Note :			
Sundry Debtors include Rs. 216,652,684 (Previous Period Rs.17,943,390) for recoverable expenses on account of diesel, electricity, etc.			
SCHEDULE H : CASH AND BANK BALANCES			
Cash on hand		370,482	1,385,540
Balances with Scheduled Banks			
- On Current Accounts		1,152,920,189	35,807,344
- On Fixed Deposit Accounts [includes accrued interest Rs. 69,618 (Previous Period Rs. 63,718)]		20,291,522	100,213,718
- On Margin Accounts [includes accured interest Rs. 7,939,575 (Previous Period Rs. 250,745)]		187,458,006	20,544,889
- On Fixed Deposits for Debt Service Reserve Account [includes accrued interest Rs. 16,786,106 (Previous Period Rs. 5,558,565)]		277,596,648	146,253,839
Balances with Foreign Banks and Overseas Branches of Scheduled Banks			
- On Current Accounts [Refer Note 7 to Schedule S]		1,089,242,527	NIL
- On Call Accounts [Refer Note 7 to Schedule S]		3,983,135,126	NIL
- On Fixed Deposits Accounts		7,045,398,080	NIL
		13,756,412,580	304,205,330
SCHEDULE I : LOANS AND ADVANCES			
Unsecured and Considered Good			
Advances recoverable in cash or in kind or for the value to be received		532,739,983	51,615,405
Loan to a Company [includes interest of Rs.NIL (Previous Period Rs. 1,340,548)]		NIL	71,340,548
Loans to Staff		513,777	3,824,777
Inter Corporate Deposit		487,500,000	NIL
Deposits		101,593,956	23,228,093
Fixed Deposit with a Financial Institution under Debt Service Reserve Account [includes accrued interest Rs. 964,232 (Previous Period Rs.386,899)]		15,964,232	7,967,036
Cenvat / Service Tax input credit entitelments/ receivable	1,148,045,403		368,598,579
Less: Service Tax Liability	48,619,926		4,788,884
		1,099,425,477	363,809,695
Taxes Paid (including Fringe Benefit Tax)	103,336,419		28,069,828
Less: Provision for Fringe Benefit Tax	7,046,960		2,173,064
		96,289,459	25,896,764
		2,334,026,884	547,682,318

Schedules to the Balance Sheet As At March 31, 2008

	Rupees	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
SCHEDULE J : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities			
Acceptances		1,330,095,268	214,931,086
Sundry Creditors			
Dues of micro enterprises and small enterprises		NIL	NIL
Dues of others			
- For Capital Expenses	149,591,521		746,442,183
- For Expenses	19,761,359		6,006,898
		169,352,880	752,449,081
Security Deposits Received		200,915,399	14,682,600
Other Liabilities			
- Outstanding for Capital Expenses	142,993,125		210,314,247
- Outstanding for Other Expneses	128,780,145		25,242,530
- Others	43,270,479		47,450,746
		315,043,749	283,007,523
Provision for mark to market losses on Derivative Contracts [Refer Note 20 to Schedule S]		256,838,559	NIL
Interest accrued but not due			
- On Secured Loans	10,226,884		4,227,991
- On Unsecured Loan	NIL		734,815
		10,226,884	4,962,806
		2,282,472,739	1,270,033,096
Provisions			
For Gratuity	325,992		NIL
For Leave Encashment	3,133,368		528,742
		3,459,360	528,742
		2,285,932,099	1,270,561,838
SCHEDULE K : MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted) [Refer Note 8 to Schedule S]			
Share Issue Expenses	21,619,600		NIL
FCCB Issue Expenses	271,347,808		NIL
		292,967,408	NIL
Less: Written off to the Profit and Loss Account		5,218,210	NIL
		287,749,198	NIL
Less: Written off against Securities Premium Account		287,749,198	NIL
		NIL	NIL

Schedules to the Profit And Loss Account for The Year Ended On March 31, 2008

	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
SCHEDULE L : SALE OF SERVICES		
Service Charges from Telecom/Network Infrastructure Facilities	1,235,819,972	481,209,032
Equipment Provisioning	9,995,196	18,391,710
	1,245,815,168	499,600,742
SCHEDULE M : OTHER INCOME		
Profit / (Loss) (Net) on Sale of Fixed Asset	61,231,163	(1,516,362)
Profit / (Loss) (Net) on Sale of Long Term Investments	950,001	NIL
Accounts Written Back	673,580	21,195,785
Others	141,093	NIL
	62,995,837	19,679,423
SCHEDULE N : COST OF SALES AND SERVICES		
Annual Maintenance Charges	NIL	79,060
Operations and Maintenance	250,212,414	8,872,286
	250,212,414	8,951,346
SCHEDULE O : EMPLOYEE COST		
Salaries and Allowances	139,154,925	49,196,175
Contribution to Providend Fund and Other Funds	6,137,235	2,909,110
Staff Welfare Expenses	6,399,485	1,162,065
Employee Compensation Expense	30,286,097	4,046,434
	181,977,742	57,313,784

Schedules to the Profit And Loss Account for The Year Ended On March 31, 2008

	Rupees	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
SCHEDULE P : ADMINISTRATION AND OTHER EXPENSES			
Rent		14,216,322	5,480,373
Rates and Taxes		855,138	NIL
Electricity Expenses		6,040,254	2,196,381
Repairs and Maintenance			
- Plant and Equipments	1,614,500		NIL
- Office Building	384,464		NIL
- Others	1,677,578		496,779
		3,676,542	496,779
Insurance Premium		5,490,882	1,684,636
Communication Cost		7,617,604	2,413,691
Travel and Conveyance Expenses		29,941,349	14,455,798
Legal and Professional Charges		35,182,600	35,399,201
Auditors' Remuneration *			
- Audit Fees	1,200,000		842,840
- Tax Audit Fees	400,000		212,240
- Certification	234,000		272,692
- Taxation matters	85,000		NIL
		1,919,000	1,327,772
Advertisment and Business Promotion Expenses		6,049,820	837,497
Administration Expenses		19,619,681	9,820,504
Printing and Stationery		6,962,964	NIL
Membership and Subcription		836,266	348,562
Directors' Sitting Fees		1,609,387	555,000
Miscellaneous Expenses		20,913,036	11,906,810
Commission on FCCB		305,161	459,434
Stamp Duty and Registration Fees		418,607	2,931,327
Stamp Duty - Increase in Share Capital		NIL	2,485,332
Premium on Forward Contract Amortised		15,146,735	751,637
Miscellaneous Expenditure Written Off		5,218,210	NIL
Accounts Written Off		NIL	2,378,003
Bad Debts		NIL	1,282,814
		182,019,558	97,211,551

* In addition, Auditors' remumneration included under FCCB Issue Expenses [Refer Schedule K]:
- Certification - Rs. 600,000
- Other Matters - Rs. 300,000

[redacted]

	Rupees	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
SCHEDULE Q : INTEREST AND FINANCE COST / (INCOME) (Net)			
Interest			
On Term Loans from Banks		364,389,250	98,083,675
On Foreign Currency Convertible Bonds		144,713	1,075,764
Others		5,356,698	2,881,607
Bank Charges		9,569,279	4,222,933
		379,459,940	106,263,979
Less :			
Interest Income:			
On Fixed Deposits with Banks [Tax Deducted at Source Rs.17,886,955 (Previous Period Rs. NIL)]		190,461,419	2,096
On Fixed Deposits for Debt Service Reserve Account [Tax Deducted at Source Rs. 1,708,056 (Previous Period Rs. NIL)]		19,664,027	6,165,748
On Other Loan and Advances		2,629,752	2,134,521
Foreign Exchange Gain/(Loss) (Net)		(112,203,352)	(5,405,850)
Gain / (Loss) (Net) on Derivative Contracts / Swap Arrangements [Refer Note 20 to Schedule S]			
On settled / realised contracts / arrangements	465,722,097		67,689,539
On mark to market losses on outstanding contracts	(256,838,559)		NIL
		208,883,538	
		309,435,384	70,586,054
		70,024,556	35,677,925

SCHEDULE R: SIGNIFICANT ACCOUNTING POLICIES

1. Overall Valuation Policy :

The Accounts have been prepared on a going concern basis under historical cost convention.

2. Basis of Accounting:

The accounts have been prepared on accrual basis, in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and the Exchange Board of India, to the extent applicable. Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard or a more appropriate presentation of the financial statements requires a change in the accounting policy hitherto in use.

The preparation of the financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions to be made that affect the reported amounts of revenues and expenses during the reporting period, the reported amounts of assets and liabilities and the disclosures relating to the contingent liabilities on the date of the financial statements. Examples of such estimates include useful lives of Fixed Assets, provision for doubtful debts/advances, deferred tax, etc. Actual results could differ from those estimates.

3. Revenue Recognition:

a. Fees from services by way of Provisioning of Telecom / Network Infrastructure Facilities and its Operations and Maintenance and for other items are recognised as and when such services are provided.

b. Dividend income is recognised when the right to receive dividend is established.

c. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

4. Fixed Assets :

a. Fixed Assets are valued at cost less depreciation.

b. The cost of Fixed Asset comprises its purchase price, including non-refundable taxes and duties and directly attributable cost of bringing the asset to its working condition for its intended use.

c. Borrowing costs, for the assets that necessarily take a substantial period of time to get ready for its intended use are capitalised to the cost of assets.

d. The Fixed Assets in the nature of cellular sites, which are put to use in the first fifteen days of a month are capitalised on the fifteenth day of that month, whereas, if they are put to use in the second half of a month, they are capitalised on the last day of that month.

e. Expenditure and outlays of money on uncompleted Fixed Assets are shown as capital work-in-progress until such time the same are completed. Capital work-in-progress is stated at cost.

5. Method of Depreciation:

a. Depreciation on Fixed Assets is provided using the Straight Line Method based on the useful life as estimated by the Management. During the year, the Management has revised the estimated useful life of some its Fixed Assets with effect from April 1, 2007 (Refer Note 4 of Schedule S). Accordingly, the estimated useful life of Fixed Assets is as shown below:

		Economic Useful life (Years)
Buildings	:	58
Plant and Machinery:		
Towers (including foundation and related civil work)	:	20
Shelters	:	20
Network Operation Assets	:	4 to 10
Air Conditioners, Generators and Electrical Equipments	:	9
Electrical Equipments (Others)		6
Computers	:	3
Office Equipments	:	3 to 5
Furniture and Fittings	:	5
Vehicles	:	5

A Software which is not an integral part of the related hardware is classified as an intangible asset and is amortised over the useful life of three years, as estimated by the Management.

b. Depreciation, in respect of each item of depreciable asset so provided is equal to or not less than the depreciation which is required to be provided at the rates specified in Schedule XIV of the Companies Act, 1956.

c. In respect of Fixed Assets whose actual cost does not exceed Rs. 5,000, depreciation is provided at 100% in the year of addition.

d. In respect of Fixed Assets acquired upon demerger pursuant to the Scheme of Arrangement between GTL Infrastructure Limited and GTL Limited, depreciation is provided for the balance period of economic useful life of those assets referred to in (a) above using the Straight Line

[redacted]

6. **Valuation of Investments :**
   a. Investments, which are long term, are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of investments.
   b. Investments, which are current, are stated at the lower of cost and fair value / repurchase value.
   c. Profit or loss on sale of current investments is calculated by considering the weighted average amount of the total holding of the investment.
   d. Profit or loss on sale of long term investments is calculated by considering the weighted average amount of the total holding of the investment.

7. **Transactions in Foreign Currencies:**
   a. Transactions in Foreign Currencies are recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
   b. Monetary items which are denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date and profit/loss on translation thereon is credited/charged to the Profit and Loss account.
   c. Pursuant to the adoption of Companies (Accounting Standard) Rules, 2006, with effect from April 1, 2007, exchange differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed asset are recognised in the Profit and Loss account.
   d. In case of forward contracts, the exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of the contract.

8. **Employee Benefits:**
   a. **Defined Contribution Plan**

      Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

   b. **Defined Benefit Plan**

      Gratuity - In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent actuary. Actuarial gain or loss is recognized immediately in the statement of profit and loss as income or expense. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India ("LIC").

      Compensated Absences - The Company provides for the encashment of absence or absence with pay based on policy of the Company in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

9. **Borrowing costs:**
   a. Borrowing costs, less any income on the temporary investment out of those borrowings, that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset.
   b. Other borrowing costs are recognised as expense in the period in which they are incurred.

10. **Leases :**

    Assets taken on lease, under which all the risks and rewards of ownership are effectively retained by the lessor, are classified as operating lease. Operating lease payments are recognised as expense in the Profit and Loss Account on a straight-line basis over the lease term.

11. **Taxation:**
    a. **Current Tax:** Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
    b. **Deferred Tax:** In accordance with the Accounting Standard 22 - "Accounting for taxes on Income", issued by the Institute of Chartered Accountants of India, the deferred tax for the timing differences is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

       Deferred tax assets arising from the timing differences are recognised only on the consideration of prudence.
    c. **Fringe Benefit Tax:** Provision for Fringe Benefit Tax is made in accordance with the provisions of the Income-tax Act, 1961.

12. **Impairment of Assets:**

    If internal / external indications suggest that an asset of the Company may be impaired, the recoverable amount of asset / cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of asset/cash generating unit is reduced to the said recoverable amount. Subsequently, if there is a change in the indication, since the last impairment was recognised, so that recoverable amount of an asset exceeds its carrying amount, an impairment recognised for an asset in prior accounting period is reversed. The recoverable amount is measured as the higher of the net selling price and value in use of such assets / cash generating unit, which is determined by the present value of the estimated future cash flows.

13. **Provisions, Contingent Liabilities and Contingent Assets:**
    a. The Company recognises as Provisions, the liabilities being present obligations arising from past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
    b. Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.
    c. Contingent Assets are neither recognised nor disclosed.

14. Employee Stock Option Scheme :

The Company accounts for the Employee Compensation Expense based on the intrinsic value of Options granted, determined on the date of grant. The Employee Compensation Expense is amortised over the vesting period of the Options. The accounting value of the Options, net of Deferred Employee Compensation Expense is reflected as Employee Stock Options Outstanding (Refer Note 5 of Schedule S).

15. Financial Derivatives Hedging Transactions:

The use of Financial Derivatives Hedging Contracts is governed by the Company's policies approved by the Board of Directors which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

Financial Derivatives Hedging Contracts are accounted on the date of their settlement / termination and realised gain / loss in respect of the settled / terminated contracts are recognised in the Profit and Loss Account, along with the underlying transactions.

As required by the recent Announcement of the Institute of Chartered Accountants of India on positions of derivatives, keeping in view the principle of prudence as per Accounting Standard 1 on "Disclosure of Accounting Policies", outstanding derivative contracts at the Balance Sheet date are now reflected by marking them to market and accordingly, the resulting mark to market losses are provided in the Profit and Loss Account. (Refer Note 20 of Schedule S)

16. Miscellaneous Expenditure :

Miscellaneous Expenditure represents ancillary cost incurred in connection with the arrangement of borrowings and share issue expenses. Initially, it was decided to write off such expenses over the lower of a period of five years and the period of arrangement on a pro-rata basis from the year of completion of arrangement of borrowings or allotment of shares, as the case may be. However, on availability of Securities Premium, the balance unamortized amount of Miscellaneous Expenditure is written off against the Securities Premium Account. (Refer Note 8 of Schedule S).

SCHEDULE S : NOTES TO ACCOUNTS

1. **Particulars**		**As At March 31, 2008 Rupees**	As At March 31, 2007 Rupees
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	2,718,987,950	2,492,317,529
	Less: Advances	609,099,454	112,944,103
	Net Estimated Amount	**2,109,888,496**	2,379,373,426
b.	Contingent Liabilities not provided for:		
	i. Bank Guarantees	25,459,540	105,051,400
	ii. Claims against the Company not acknowledged as debts	1,811,840	1,681,568
	iii. Premium on Foreign Currency Convertible Bonds issued	4,350,496,478 [Refer Note 6(II) below]	9,712,494 [Refer Note 6(II) below]
	iv. Disputed liability in respect of Income-tax demand (including interest) matter under appeal (Amount deposited Rs. 232,664).	232,664	NIL
	v. Disputed liability in respect of Sales Tax matter under appeal (Amount deposited Rs. 55,230).	220,913	NIL

2. The Company has requested for the balance confirmation from Sundry Debtors as on March 31, 2008. In the absence of confirmation, their balances have been taken as per the records of the Company. The Company has obtained balance confirmation from major Sundry Creditors, which are reconciling with the records of the Company.

3. During the year, the Company has issued:

a. 263,650,000 (Face Value of Rs. 40 each) Convertible Warrants ("Warrants") on a preferential basis to the various Investors against which it received aggregate of Rs. 1,054,600,000, as 10% of the price fixed against such Warrants. Each Warrant carries a right to convert the same into one Equity Share of Rs. 10 each at a premium of Rs. 30 each (as per the formula prescribed under the SEBI (DIP) Guidelines) over a period of 18 months from the date of allotment. Of the above, 35,441,060 Warrants were converted into Equity Shares of the like numbers on receipt of Rs.1,275,878,160, being balance 90% of the price fixed. For the balance 228,208,940 Warrants, sum of Rs. 912,835,760, representing 10% of the price fixed against such Warrants pending conversion has been reflected as "Amount for Preferential Convertible Warrants" in the Balance Sheet.

b. 3,000 (Face Value USD 100,000 each) aggregating to USD 300,000,000 Zero Coupon Foreign Currency Convertible Bonds (FCCBs) due by 2012. Each FCCB is convertible into Equity Shares of Rs. 10 each at a premium of Rs. 43.04 per share. The proceeds of the issue is reflected under Unsecured Loans. [For conversion of FCCBs, refer Schedule D and Note 6 (II) below].

4. Change in Accounting Estimate:

During the year, the Company has reviewed the original estimated useful life of Shelters, Air Conditioners, Generators and Electrical Equipments. Based on technological evaluation, the Company has revised the estimated useful life of Shelters from 10 to 20 years and Air Conditioners, Generators and Electrical Equipments from 6 to 9 years. This revision has resulted in reduction of depreciation charge for the year by Rs. 140,532,646. Consequently, the Net Loss after taxation and the balance carried to the Profit and Loss Account for the year are lower and the Net Fixed Assets as at March 31, 2008 are higher by the like amount.

5. Employee Stock Option Scheme :

a. The Employee Stock Option Scheme, 2005 (ESOS) was first time introduced and implemented during the Accounting Period 2005-06 for which the approval was obtained from the shareholders at the Extra Ordinary General Meeting held on November 26, 2005.

b. On November 26, 2005, the Company granted 1,550,000 Options ("Grant 1") convertible into Equity Shares of Rs. 10 each to 15 employees. The Exercise Price of the Options was fixed at Rs. 10 each for conversion into one Equity Share of the Company.

On February 12, 2007 and February 27, 2007, the Company granted 7,490,000 Options ("Grant 2") and 25,000 Options ("Grant 3"), both, convertible into Equity Shares of Rs. 10 each, to 41 employees and an employee, respectively. The Exercise Price of the Options was fixed at Rs. 29.81 each for conversion into one Equity Share of the Company. Out of the Options so granted, due to resignation of an employee, 300,000 Options were forfeited on October 5, 2007, and due to resignation of 3 employees and a Director, 100,000 Options and 200,000 Options were forfeited on January 25, 2008 and January 28, 2008, respectively.

On October 9, 2007, the Company granted 650,000 Options ("Grant 4"), convertible into Equity Shares of Rs. 10 each to 3 employees. The Exercise Price of the Options was fixed at Rs. 26.78 each for conversion into one Equity Share of the Company.

On March 11, 2008, the Company granted 1,700,000 Options ("Grant 6"), convertible into Equity Shares of Rs. 10 each to 5 employees. The Exercise Price of the Options was fixed at Rs. 33.60 each for conversion into one Equity Share of the Company.

The above Options vest over a period ranging from one to three years as follows:

Percent to Vest	Period of vesting from date of grant
35%	At the end of Twelve months
35%	At the end of Twenty Four months
Balance	At the end of Thirty Six months

c. On October 9, 2007, the Company also granted 249,000 Options ("Grant 5"), convertible into Equity Shares of Rs. 10 each, to 58 employees. The Exercise Price of the Options was fixed at Rs. 26.78 each for conversion into one Equity Share of the Company. Out of the Options so granted, due to resignation of 6 employees, 20,000 Options were forfeited on January 25, 2008.

These Options vest over a period ranging from one to five years as follows:

Number of Years of Service of Employee in the Company and GTL Limited as on date of allotment	Conversion at the end of 12 Months	18 Months	24 Months	30 Months	36 Months
≥ 5 years	100%	-	-	-	-
≥ 4 years	80%	20%	-	-	-
≥ 3 years	60%	20%	20%	-	-
≥ 2 years	40%	20%	20%	20%	-
≥ 1 year	20%	20%	20%	20%	20%

d. All the Options granted till date have an exercise period of Thirty Six months from the date of their vesting.

e. Employee Stock Options Outstanding (Net of Deferred Employee Compensation Expense) is as follows:

Particulars	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
Total accounting value of Options Outstanding (A)	75,322,980	50,279,100
Deferred Employee Compensation Expense	75,322,980	50,279,100
Less: Amortised		
Opening balance	4,046,434	NIL
For the year	30,286,097	4,046,434
Total Amortised	**34,332,531**	4,046,434
Net Deferred Employee Compensation Expense (B)	40,990,449	46,232,666
Employee Stock Options Outstanding (Net of Deferred Employee Compensation Expense) [A-B]	**34,332,531**	4,046,434

f. The Company applies intrinsic value-based method of accounting for determining Employee Compensation Expense for its ESOS. Had the Employee Compensation Expense been determined using the fair value approach, the Company's net income and basic and diluted earnings per share as reported would have reduced to the proforma amounts as indicated below :

Particulars	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
Net Profit/(Loss) as Reported	(594,702,223)	(231,552,762)
Less : Employee Compensation Expense	91,692,462	7,027,510
Adjusted Proforma	(686,394,685)	(238,580,272)
Basic and Diluted Earnings per share as reported	(0.80)	(0.43)
Proforma Basic and Diluted Earnings per share	(0.92)	(0.44)

g. The following table summarises the Company's Stock Options activity for ESOS:

Sr. No.	Particulars	For the Year ended on March 31, 2008 No. of Shares	For the Year ended on March 31, 2008 Weighted average exercise price Rupees	For the Nine Months Period ended on March 31, 2007 No. of Shares	For the Nine Months Period ended on March 31, 2007 Weighted average exercise price Rupees
A	a. Outstanding at the beginning of the year	8,522,500	27.47	1,550,000	10.00
	b. Granted during the year	10,821,500	21.70	7,515,000	29.81
	c. Forfeited during the year	(920,000)	20.05	NIL	NIL
	d. Exercised during the year	(661,500)	**10.00	(542,500)	*10.00
	e. Expired during the the year	NIL	NIL	NIL	NIL
B	Outstanding at the end of the year	17,762,500	20.80	8,522,500	27.47
C	Exercisable at the end of the year	5,264,000	19.10	NIL	NIL
D	Weighted average remaining contractual life (in years)	3.68		4.83	
E	Weighted average Intrinsic value of options granted		7.17		6.69

* The Weighted Average Share Price on February 23, 2007, i.e. the date of exercise of Stock Options, was Rs.36.21

** The Weighted Average Share Price on January 25, 2008, i.e. the date of exercise of Stock Options, was Rs.58.22

h. During the year, by way of Rights Issue, the Company has allotted 336,288,137 Equity Shares of the face value of Rs. 10 each for cash at par in the ratio of one Equity Share for every one Equity Share held.

With a view to compensate the Option holders for the Rights Issue, on October 9, 2007, the Company has granted-

❖ Against Grant 1 : 1,007,500 Options at the exercise price of Rs. 10.

❖ Against Grant 2 : 7,190,000 Options at the modified exercise price of Rs. 19.90 from Rs. 29.81.

❖ Against Grant 3 : 25,000 Options at the modified exercise price of Rs. 19.90 from Rs. 29.81.

100,000 and 200,000 Options granted against Grant 2, to compensate for Rights Issue, were forfeited on January 25, 2008 and January 28, 2008.

6. Loan Funds :

I. SECURED LOANS :

a. Other than loan from Union Bank of India of Rs. 350,000,000 referred to in (b), loan from Bank of India of Rs.1,000,000,000 referred to in (c) and Loan referred to in (d) below:

❖ Secured by way of -

i. Hypothecation by a first pari-passu charge on all movable assets, both, present and future, including first floating charge on all the current assets;

ii. Mortgage by first pari-passu charge basis on all immovable assets, both, present and future, of the Company;

iii. Corporate Guarantee of GTL Limited;

b. Loan from Union Bank of India Rs. 350,000,000

❖ Secured by way of an Equitable Mortgage of immovable properties at Peninsula Tower, Mumbai, for which the loan is availed.

c. Loan from Bank of India of Rs. 1,000,000,000

❖ The same is to be secured by way of hypothecation by a first charge on the whole of the movable assets of the Company acquired with the financial assistance granted by the bank for the extension of the existing project / Execution of project under Phase II.

d. Further, the Term Loans from Banks include a vehicle loan as under :

	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
Vehicle Loan	511,976	782,418

This loan is secured by way of hypothecation of the vehicle.

II. UNSECURED LOANS :

a. Pursuant to the Scheme of Arrangement between GTL Infrastructure Limited and GTL Limited, 1% Foreign Currency Convertible Bonds (FCCBs) issued by GTL Limited were split between GTL and the Company, such that out of the liability of the face value of CHF 10,000 of each bond, the liability of the face vale of CHF 970.87 is transferred to the Company, in compliance with the provisions of the bond agreement and requisite approvals of the Bondholders.

The details of FCCBs converted out of the above are as under:

Particulars	Amount of FCCB in CHF	Number of Equity Shares @ Rs. 10 each	Balance of FCCBs in Rupees
Transferred under the Scheme	5,625,221	20,977,449	209,774,608
Less :Converted upto March 31,2007	4,093,188	15,264,229	152,642,281
Balance As At April 1, 2007	1,532,033	5,713,220	57,132,327
Conversion during the year	1,532,033	5,713,220	57,132,327
Balance As At March 31, 2008	NIL	NIL	NIL

b. 3,000 Zero Coupon Foreign Currency Convertible Bonds (FCCBs) of USD 100,000 each are:

i. Convertible by the holders at any time on and after January 27, 2008 but prior to close of business on November 22, 2012. Each bond will be converted into fully paid up Equity Share with par value of Rs. 10 per share at an Initial Conversion Price of Rs. 53.04 per share.

ii. Redeemable, in whole but not in part, at the option of the Company at any time on or after November 28, 2010 but not less than seven business days prior to maturity date subject to the fulfillment of certain terms and obtaining requisite approvals.

iii. Redeemable on maturity date at 140.4064 percent of its principal amount, if not redeemed or converted earlier.

The above Bonds are considered as a monetary liability. The bonds are redeemable only if there is no conversion of the bonds earlier. Hence, the payment of premium on redemption is contingent in nature, the outcome of which is dependent on uncertain future events and accordingly, no provision is considered necessary nor has been made in the accounts in respect of such premium.

The details of FCCBs converted out of the above are as under:

Particulars	Amount of FCCB in USD	Number of Equity Shares @ Rs.10 each	Balance of FCCBs in Rupees
Issued during the year	300,000,000	222,285,068	11,830,500,000
Less : Converted during the year	31,500,000	23,339,930	1,063,650,000
Balance As At March 31, 2008	**268,500,000**	**198,945,138**	**10,766,850,000**

7. Balances with Foreign Banks:

Sr. No.	Bank Name	Balance As At March 31, 2008 Rupees	Maximum Balance During the Year Rupees
I.	**On Current Account**		
	Barclays Bank	389,296	389,296
	Bank Julius Baer & Co. Ltd.	1,089,138,866	1,089,138,866
II.	**On Call Account**		
	Bank Julius Baer & Co. Ltd.	3,982,745,832	3,982,745,832

8. During the year, initially, ancillary cost incurred in connection with the arrangement of borrowings and Share Issue Expenses were written off to the Profit and Loss Account based on the policy to write off the same over the lower of a period of five years and the period of arrangement on a pro-rata basis from the year of completion of arrangement of borrowings or allotment of shares, as the case may be. Accordingly, out of the aggregate of such expenses of Rs. 292,967,408, a sum of Rs. 5,218,210 was written off to the Profit and Loss Account. Subsequently, on availability of Securities Premium, the balance amount of Rs. 287,749,198 was written off against Securities Premium Account.

9. Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, have now been prescribed by the Companies (Accounting Standards) Rules, 2006; as per Accounting Standard 11 on "The Effects of Changes In Foreign Exchange Rates", exchange gain/loss arising on restatement of foreign currency denominated liabilities relating to the acquisition of fixed assets, which were previously adjusted to the carrying values of the relevant fixed assets have now been recognized in the Profit and Loss Account. As a result, the Net Loss for the year is higher by Rs. 2,807,670 and the Net Block of Fixed Assets is lower by the like amount.

10. Prior Period Items:

Prior Period Items included in the Profit and Loss Account:

Particulars	Schedule No.	For the Year ended on March 31, 2008	For the Nine Months Period ended on March 31, 2007
		Rupees	Rupees
Income			
Foreign Exchange Gain / (Loss)	M	7,450,000	NIL
Total		**7,450,000**	NIL
Expenses			
Salaries and Allowances	O	828,897	NIL
Rent	P	25,000	NIL
Travel and Conveyance Expenses	P	157,408	NIL
Miscellaneous Expenses	P	333,056	NIL
Total		**1,344,361**	NIL

11. Employee Benefits:

Consequent upon adoption of Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, as required by the Standard, the following disclosures are made:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded) Rupees	Compensated Absences (Unfunded) Rupees
Obligation at period beginning (April 1, 2007)	1,041,989	528,742
Current service cost	993,875	489,460
Interest cost	83,359	42,299
Actuarial (gain) / loss	830,079	3,151,917
Benefits paid	NIL	(1,079,050)
Obligations at the year end (March 31, 2008)	**2,949,302**	**3,133,368**
Change in plan assets		Not Applicable
Plan assets at period beginning, at fair value	1,667,172	
Expected return on plan assets	133,374	
Actuarial gain / (loss)	75,477	
Contributions	747,287	
Benefits paid	NIL	
Plan assets at the year end, at fair value	**2,623,310**	
Reconciliations of present value of the obligation and the fair value of plan assets		
Fair value of plan assets at the end of the year	2,623,310	NIL
Present value of the defined benefit obligations at the end of the year	2,949,302	3,133,368
Liability/(Asset) recognised in the Balance Sheet	**325,992**	**3,133,368**
Cost for the year		
Current Service cost	993,875	489,460
Interest cost	83,359	42,299
Expected return on plan assets	(133,374)	NIL
Actuarial (gain)/loss	754,602	3,151,917
Net Cost recognised in the Profit and Loss Account	**1,698,462**	**3,683,676**
Assumptions used to determine the benefit obligations :		
Interest rate	8%	8%
Estimated rate of return on plan assets	8%	Not Applicable
Expected rate of increase in salary	5%	5%
Actual return on plan assets	**208,851**	**Not Applicable**

12. Segment Reporting:

Business Segment: The Company is in the business of providing shareable Infrastructure facilities on "Build, Own and Operate" basis for a diverse range of customers operating in various industries. The Company has considered "Shared User Infrastructure" as one business segment for disclosure in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

Geographic Segment: During the year, the Company provides its facilities only in India and not in any other country. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

13 Related Party Disclosures :

A. Following transactions were carried out in the ordinary course of business with the parties referred to in (B) below :

Particulars	Enterprise of which the Company is an associate		Key Managerial Personnel		Enterprise in which Key Managerial Personnel has significant influence	
	[with I (i) below]		[with II (ii) below]		[with III (i) below]	
	For the Year ended March 31, 2008	For the Nine Months Period ended on March 31, 2007	**For the Year ended March 31, 2008**	For the Nine Months Period ended on March 31, 2007	**For the Year ended March 31, 2008**	For the Nine Months Period ended on March 31, 2007
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Purchase of Capital Goods	7,282,846,350	3,863,232,285	NIL	NIL	NIL	NIL
Purchase of Services	295,695,269	73,804,354	NIL	NIL	NIL	NIL
Reimbursement of expenses to Vendors	192,636,743	30,296,594	NIL	NIL	NIL	NIL
Remuneration paid / provided	NIL	NIL	4,956,400	3,606,750	NIL	NIL
Income from Services / Equipment Provisioning	593,534,136	384,256,888	NIL	NIL	NIL	NIL
Profit on Sale of Fixed Assets	9,201,040	NIL	NIL	NIL	NIL	NIL
Reimbursement of expenses from Customers	7,609,869	718,238	NIL	NIL	NIL	NIL
Amount received for Preferential Convertible Warrants	200,000,000	NIL	NIL	NIL	*1,945,878,160	NIL
Outstanding As At	**March 31, 2008**	March 31, 2007	**March 31, 2008**	March 31, 2007	**March 31, 2008**	March 31, 2007
Sundry Debtors	378,551	5,512,384	NIL	NIL	NIL	NIL
Sundry Creditors	NIL	717,011,175	NIL	NIL	NIL	NIL
Capital Advances (Net)	221,256,940	NIL	NIL	NIL	4,666,700	NIL

* Out of the aggregate amount received on Warrants, on Conversion of the same into Equity Shares, sums of Rs. 354,410,600 and Rs. 1,063,231,800 are transferred to Equity Share Capital and Securities Premium Account.

B. Relationships:

I. Enterprise of which the Company is an associate -
   i. GTL Limited
   ii. Technology Infrastructure Limited
II. Key Managerial Personnel -
   i. Mr. Manoj Tirodkar, Chairman
   ii. Mr. Prakash Ranjalkar, Whole-time Director
III. Enterprise in which Key Managerial Personnel has significant influence -
   i. Global Asset Holding Corporation Private Limited

14. Disclosure on leases as per Accounting Standard 19 on "Accounting for Leases":

The Company has entered into operating lease agreements for office premises, guesthouse, warehouses, vehicles, office equipments, furniture and fixtures and land for Telecom sites, renewable on a periodic basis and is cancelable. Rental expenses for operating leases to the extent not reimbursed are amounting to Rs. 98,794,606 (Previous Period Rs. 5,379,814) have been recognized in the Profit and Loss Account.

Minimum lease rental payable is as under:

Particulars	**As At March 31, 2008 Rupees**	As At March 31, 2007 Rupees
Within 1 year	178,369,857	103,032,258
After 1 year but before 5 years	671,082,665	385,458,309
After 5 years	674,045,290	429,669,167
Total	**1,523,497,812**	918,159,734

15. Earnings per Share:

Particulars	**For the Year ended on March 31, 2008 Rupees**	For the Nine Months Period ended on March 31, 2007 Rupees
Numerator for Basic and Diluted earnings per share		
Net Profit / (Loss) after tax for the year	(594,702,223)	(231,552,762)
Denominator for Basic and Diluted earnings per share		
Weighted average number of shares (b)	743,630,866	540,184,486
Basic and Diluted earnings per share [(a) / (b)]	**(0.80)**	(0.43)
Nominal value of share	Rs. 10	Rs. 10

Notes:
1. For the year, in view of Losses, the effect of issue of ESOS, Warrants and FCCBs on the Earnings per Share is anti-dilutive and hence, the same is ignored and accordingly, Basic and Diluted Earnings per Share are the same.
2. Weighted average number of shares used in determining earnings per share are after considering the effect of the Rights Issue made during the year.

16. Taxation:

a. Current Tax :

Provision for income-tax is not made in view of the loss for the year as also carried forward losses in terms of the provisions of the Income-Tax Act, 1961.

b. Deferred Tax :

As required by Accounting Standard 22 on "Accounting for Taxes on Income", Deferred Taxes have been recognized in respect of the following items:

Items of Timing Difference	**Accumulated Deferred Tax Assets / (Liabilities) As At April 1, 2007 Rupees**	**(Charge)/Credit during the Year ended on March 31, 2008 Rupees**	**Accumulated Deferred Tax Assets / (Liabilities) As At March 31, 2008 Rupees**
i. Depreciation, Net interest capitalised and other related items	(358,546,584)	(384,738,638)	(743,285,222)
ii. Expenses charged but allowable in the future years on payment or under other provisions of the Income-tax Act	6,993,976	(5,806,444)	1,187,532
Net Deferred Tax Assets /(Liabilities)	**(351,552,608)**	**(390,545,081)**	**(742,097,689)**
Previous Year	**(135,397,216)**	**(216,155,392)**	**(351,552,608)**

17. Disclosure in accordance with Accounting Standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets:

Particulars	As At April 1, 2007 Rupees	Additions during the year Rupees	Amount paid/reversed during the year Rupees	As At March 31, 2008 Rupees
Leave encashment *	528,742	3,683,676	1,079,050	**3,133,368**
Gratuity *	NIL	1,698,462	1,372,470	**325,992**

* Refer Note 11 of Schedule S.

18. Managerial Remuneration:

a. Calculation of effective capital pursuant to Schedule XIII of the Companies Act, 1956:

Particulars	As At March 31, 2007 Rupees
Paid up share capital	3,328,198,810
Less: Accumulated losses	345,287,628
Effective capital	2,982,911,182

b. Details of Payments and Provisions on account of Remuneration to Managerial personnel in accordance with Schedule XIII of the Companies Act, 1956, included in the Profit and Loss account, are as under:

Particulars	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
Salary (including allowances)	4,740,400	3,444,750
Contribution to Provident Funds	216,000	162,000
Total	**4,956,400**	3,606,750

19. A. Capital Work-in-progress includes advances of Rs. 609,099,454 (Previous Period Rs.112,944,103); and

B. The following expenses (Net of Income earned on temporary investment of funds) incurred during the year as attributable to the Fixed Assets (including Capital work-in-progress) have been capitalised:

Particulars	Rupees	For the Year ended on March 31, 2008 Rupees	Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
Salaries and allowances		52,519,419		19,475,002
Contribution to Provident Fund and Other Funds		2,681,853		1,147,129
Travel and Conveyance Expenses		25,588,246		8,991,556
Communication cost		6,268,326		760,727
Legal and Professional Charges		110,166,860		28,007,188
Stamp Duty charges		4,484,794		2,016,993
Bank Loan Processing Fees		62,239,023		45,398,978
Interest on Term Loans and Others	996,245,573		307,436,974	
Less:				
Interest Received on Fixed Deposit with Banks	(9,948,386)		(36,767,297)	
Interest Received on Margin Money	(9,354,731)		1,075,242	
Profit on Sale of Shares	(77,690,863)		(11,975,657)	
Profit on Redemption of Mutual Funds	(105,055,339)		(2,540,731)	
Dividend and Others	(7,094,517)	787,101,737	(26,705,841)	230,522,691
Octroi Charges		1,573,884		843,968
Discounting Charges		NIL		9,810,777
Insurance Premium		8,862,261		3,707,558
Other Expenses		256,386,315		3,270,433
Total		**1,317,872,717**		353,952,999

20. Financial and Other Derivative Instruments:

a. Derivative contracts entered into by the Company and have remained outstanding :

- For Hedging Currency and Interest rate related risks:

Particulars	As At March 31, 2008 Rupees	As At March 31, 2007 Rupees
Nominal amount of Derivative Contracts –		
Interest Rate and Currency Swaps	1,350,000,000	5,500,000,000
Options	911,473,054	NIL

The Company has raised long term funds overseas in USD and EURO. It also has Rupee based borrowings for its various projects and future expansion plans.

The Company has used currency and interest rate swaps as part of its overall strategy to manage the level of exposure to the currency and interest rate fluctuations of its imports and current debts.

The Company assesses, both at the inception of the hedge and on an on going basis, whether the derivatives that are used in hedging transactions are effective in risk mitigation. The Company does not hold derivatives for trading / speculative purposes.

During the year, the Company realized (net) Rs. 465,722,097 gains arising out of hedging / derivative instruments.

In accordance with the recent Announcement issued by the Institute of Chartered Accountants of India, all outstanding derivatives are marked to market on Balance Sheet date. Accordingly, mark-to-market losses of Rs. 256,838,559 have been provided.

Gains on mark to market basis of Rs. 20,228,430 have not been recognised.

b. Foreign Currency exposures which are not hedged by derivative instruments or otherwise:

Sr. No.	Particulars		As At March 31, 2008		As At March 31, 2007	
			Foreign Currency	Rupees	Foreign Currency	Rupees
i.	Foreign Currency					
	Letter of Credits	USD	7,604,580	304,943,658	981,684	43,144,972
ii.	Export Debtors	USD	11,101	444,040	1,985,111	86,074,413
		GBP	39,982	3,108,601	39,982	3,372,882
iii.	Import Creditors	USD	NIL	NIL	228,411	10,038,672
iv.	Correspondance Commission					
	payable on Letters of Credit	USD	NIL	NIL	46,422	22,038,633
v.	Foreign Currency Loans	EUR	20,000,000	1,264,000,000	10,000,000	596,950,000
vi.	Interest accrued on Foreign					
	Currency Loans	EUR	161,818	10,226,894	71,722	4,227,991
vii.	Balances with Foreign Banks and					
	Overseas Branches of Scheduled Banks					
	- On Current and Call Accounts	USD	126,809,440	5,072,377,653	NIL	NIL
	- On Fixed Deposits Accounts	USD	176,134,952	7,045,398,080	NIL	NIL

21. Details of utilization of funds raised through Rights Issue and FCCB Issue:

During the year, the Company has raised Rs. 3,362,881,370 through Rights Issue of Equity Shares and Rs. 11,790,000,000 through FCCB issue, the proceeds of which have been utilised as follows:

Particulars	For the Year ended on March 31, 2008 Rupees
(I) Gross proceeds of the Rights Issue	3,362,881,370
Less :	
Share Issue expenses written off to the Profit and Loss Account	1,291,658
Share Issue expenses written off against Securities Premium Account	21,619,600
Sub Total (A)	**3,339,970,112**
Utlisation of Proceeds:	
Capital Expenditure for Telecom Infrastructure Project	3,339,970,112
Total Outflow (B)	**3,339,970,112**
Unutilized Balance (A-B)	NIL
(II)Gross proceeds of the FCCB (A)	11,790,000,000
Less :	
FCCB Issue expenses	150,584,522
Bank Charges	3,221,254
Sub Total (B)	**153,805,776**
Unutilised Balance C=(A-B)	**11,636,194,224**
Add :	
Interest on Current and Call Accounts	98,708,742
Foreign Exchange Gain/(Loss) (Net)	279,949,918
Gain on Swap Arrangements (Net)	102,922,849
Sub Total (D)	**481,581,509**
Unutilised Balance E=(C+D)	**12,117,775,733**
Balances with Foreign Banks and Overseas Branches of Scheduled Banks	
- On Current Accounts	1,089,242,527
- On Call Accounts	3,983,135,126
- On Fixed Deposits Accounts	7,045,398,080
	12,117,775,733

22. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

Sr. No.	Particulars	As At March 31, 2008 Rupees
a.	Principal amount remaining unpaid and Interest due thereon.	NIL
b.	Interest paid in term of Section 16	NIL
c.	Interest due and payable for the period of delay in payment.	NIL
d.	Interest accrued and remaining unpaid.	NIL
e.	Interest due and payable even in succeeding years.	NIL

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

23. Value of imports calculated on C.I.F. basis:

Particulars	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
Capital Goods	320,132,515	48,990,089

24. Expenditure in Foreign Currency:

Particulars	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
Interest		
On Term Loan	40,149,223	23,605,402
On FCCB	147,547	1,075,764
Bank and Other Charges	6,982,228	23,141,656
Travel and Conveyance Expenses	2,340,135	1,120,193
FCCB Issue Expenses	223,346,907	NIL
Others	535,476	1,232,213
Total	**273,501,516**	50,175,228

The above expenditure (including amounts capitalized, deferred and adjusted against Securities Premium Account) is disclosed at gross, before the tax deduction at source, as applicable.

25. Earnings in Foreign Currency:

Particulars	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended on March 31, 2007 Rupees
Service Income	NIL	126,667,411
Interest on Current and Call Accounts	96,418,674	NIL
Interest on Fixed Deposit Accounts	18,621,318	NIL

26. The nature of activities of the Company is mainly of providing of services and hence, it is not possible to give the quantitative details as required under Para 3 and 4C of part II of Schedule VI of the Companies Act, 1956.

27. The previous period's figures, wherever necessary, have been regrouped, reclassified and recast to conform to the current this year's classification. However, the figures for the previous period are for the Nine Months Period ended on March 31, 2007 and hence, the current year's figures are not comparable with those of the previous period.

As per our report of even date attached

For **BANSI S. MEHTA & CO.**
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

Mumbai
Date : April 18, 2008

For and on behalf of the Board of Directors

MANOJ TIRODKAR
Chairman

PRAKASH RANJALKAR
Whole-time Director

D.S. GUNASINGH
Company Secretary

Cash Flow Statement for The Year Ended March 31, 2008

		Rupees	For the Year ended on March 31, 2008 Rupees	For the Nine Months Period ended March 31, 2007 Rupees
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**			
	Net Profit/(Loss) before tax but before prior period and exceptional items		(199,440,096)	(13,960,194)
	Adjustments for :			
	Depreciation		824,016,831	334,085,753
	Loss/(Profit) on sale of Fixed Assets		(61,231,163)	898,537
	Loss/(Profit) on sale of Investments		(950,001)	NIL
	Interest and Finance Charges		379,459,940	106,263,979
	Dividend received		NIL	(1,530,633)
	Foreign Exchange Loss (Net)			
	On Foreign Currency cash and cash equivalents	(182,370,085)		(1,536,755)
	On Other Items	294,573,437		
			112,203,352	
	Accounts written back		(673,580)	(21,195,785)
	Interest received on DSRA,Fixed Deposits with banks and Loan to a Company		(212,896,291)	(79,441,470)
	Realised Gain on Settled Derivatives Contracts/Currency Swap Arrangements		(465,722,097)	NIL
	Mark to market losses on outstanding contracts		256,838,559	NIL
	Employee Compensation Expense		30,286,097	4,046,434
	Premium on Forward contract		15,146,735	NIL
	Provision for Wealth Tax		156,850	NIL
	Miscellaneous Expenditure Written Off		5,218,210	NIL
Operating Profit before working capital changes			**682,413,346**	327,629,866
Adjustments for :				
	Sundry Debtors		(296,616,294)	(76,344,220)
	Loans and Advances		(1,731,098,606)	(456,896,715)
	Provisions		2,930,618	(727,199)
	Current Liabilities		763,222,913	1,054,331,884
	Cash generated from operations		**(579,148,023)**	847,993,616
	Income Tax paid (Fringe Benefit Tax)		(75,266,591)	283,900
	Net cash from operating activities		**(654,414,614)**	848,277,516
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**			
	Additions to Fixed Assets (including capital work in progress, net of income capitalised)		(11,561,970,388)	(3,928,624,730)
	Sale of Fixed Assets		367,029,902	109,736,564
	Purchase of Investments		(42,136,597,605)	(4,641,362,561)
	Sale of Investments		42,971,273,045	4,181,124,712
	Realised Gain on Settled Derivatives Contracts/Currency Swap Arrangements		465,722,097	NIL
	Dividend received		NIL	1,530,633
	Interest received on DSRA, Fixed Deposits with banks and Loan to a Company		212,896,291	79,441,470
	Net cash used in investing activities		**(9,681,646,658)**	(4,198,153,912)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**			
	Proceeds from issue of shares		3,369,496,370	222,175,495
	Amount Received for Preferential Convertible Warrants		2,330,478,160	NIL
	Expenses on Rights Issue		(21,619,600)	NIL
	Expenses on FCCB Issue		(271,347,808)	NIL
	Proceeds from long term borrowings		18,578,351,255	2,673,342,929
	Interest and Finance Charges paid		(379,459,940)	(106,263,979)
	Net cash From financing activities		**23,605,898,437**	2,789,254,445
D.	**Effect of Exchange differences on Foreign Currency cash and cash equivalents**		**182,370,085**	NIL
	Increase in cash and cash equivalents (A + B + C + D)		**13,452,207,250**	(560,621,950)
			13,452,207,250	(560,621,950)
	Cash and cash equivalents at the beginning of the year		**304,205,330**	864,827,280
	Cash and cash equivalents at the end of the year		**13,756,412,580**	304,205,330

Notes :

1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 issued by the Institute of Chartered Accountants of India.
2 Cash and cash equivalents includes cash and bank balances, fixed deposits with banks and interest accrued thereon.
3 Additions to fixed assets includes movements of capital work in progress between the beginning and the end of the year.

As per our report of even date attached

For **BANSI S. MEHTA & CO.**
Chartered Accountants

PARESH H. CLERK
Partner
Membership No. 36148

Mumbai
Date : April 18, 2008

For and on behalf of the Board of Directors

MANOJ TIRODKAR
Chairman

PRAKASH RANJALKAR
Whole-time Director

D.S. GUNASINGH
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registraion No.	U74210MH20004PLC144367	State Code	11
Balance Sheet Date	March 31, 2008		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS.THOUSANDS)

Public Issue	NIL	Rights Issue	3,362,881
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (AMOUNT IN RS.THOUSANDS)

Total Liabilities	38,054,068	Total Assets	38,054,068
SOURCES OF FUNDS			
Paid-up Capital	7,342,637	Reserves & Surplus	1,979,335
Secured Loans	13,990,047	Unsecured Loans	10,766,850
APPLICATION OF FUNDS			
Net Fixed Assets	19,938,224	Investments	663,363
Net Current Assets	14,226,559	Misc. Expenditure	NIL
Accumulated Losses	939,990		

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN RS.THOUSANDS)

Turnover (Gross Revenue)	1,308,811	Total Expenditure	1,508,251
Profit / (Loss) Before Tax	(199,440)	Profit / (Loss) After Tax	(594,702)
Earnings per Share in Rs.	(0.80)	Dividend Rate %	NIL

V. GENERIC NAMES OF THREE PRINCIPLE PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code.No.	
Product/ Service Description	TEL.INFRA.

GTL Infrastructure Limited
Electronic Sadan I, MIDC, TTC Industrial Area, Mahape, Navi Mumbai 400 710
Tel.: +91 22 3911 2300 Fax: +91 22 3911 2326
Website: www.gtlinfra.com

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