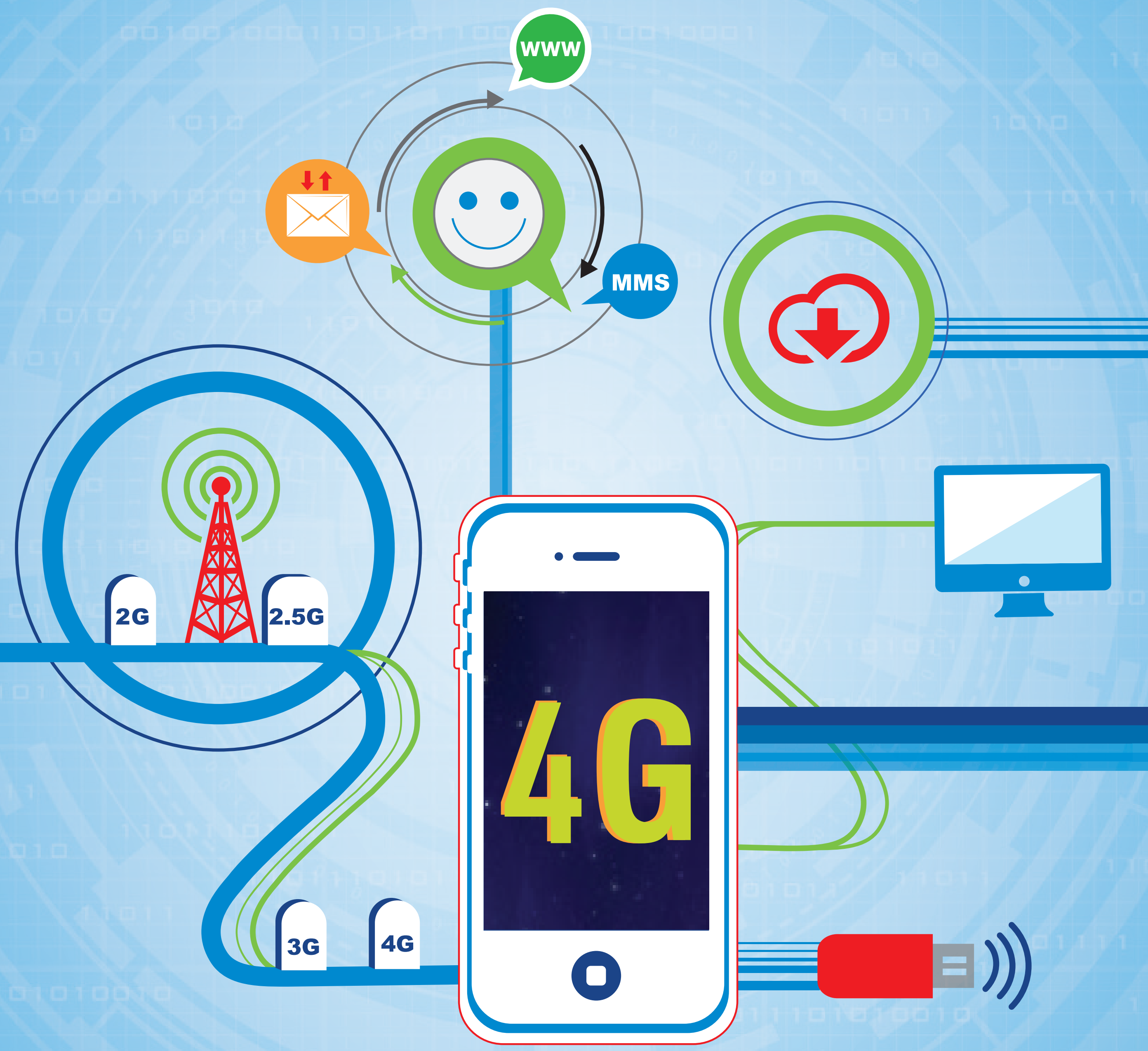
GLOBAL Group Enterprise



READY FOR DATA REVOLUTION

11th ANNUAL REPORT 2013-14

GTL INFRASTRUCTURE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Manoj Tirodkar	Chairman
Mr. N. Balasubramanian	Vice Chairman
Mr. Vinod Agarwala	Director
Dr. Anand Patkar	Director
Mr. Charudatta Naik	Director
Mr. Milind Naik	Whole–time Director & Co–COO
Mr. Vijay Vij	Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Nitesh Mhatre

CHIEF FINANCIAL OFFICER

Mr. L. Y. Desai

AUDITORS

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

BANKS / INSTITUTIONS

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

REGISTERED OFFICE

GTL Infrastructure Limited
“Global Vision”, 3rd Floor, Electronic Sadan–II,
MIDC, TTC Industrial Area, Mahape,
Navi Mumbai – 400 710, Maharashtra, India.
Tel: +91 22 2767 3500 | Fax: +91 22 2767 3666
Website: www.gtlinfra.com
CIN No. : L74210MH2004PLC144367

FOR MORE INFORMATION CONTACT:

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Tel.: +91 22 2271 5000

CONTENTS

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BUSINESS SNAPSHOT

GTL Infrastructure Limited (GTL Infra / GIL) is a leading independent telecom tower Company. The Company provides passive infrastructure on shared basis for telecom operators to host their active network components.

The business model of passive infrastructure sharing is based on building, owning, operating and maintaining passive telecom infrastructure sites capable of hosting active components of multiple telecom operators. The model enables operators to convert their capital expenditure to a fixed and predictable operational expenditure allowing them to divert capital towards core activities.

Together with Chennai Network Infrastructure Limited (CNIL), its associate, the Company has a combined tower portfolio of 27,839 towers spread across all the 22 telecom Circles in India, and serving all the major telecom operators. The Company is also associated with prestigious projects being promoted by DoT and COAI such as USO (Universal Services Obligation Fund) for rural telecom infrastructure and MOST (Mobile Operator Shared Tower).

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

- Tower companies provide space to Operators to host their active Infrastructure on cell site
- Towers are capable of hosting multiple technologies such as 2G / 3G / 4G LTE
- Growth tied to expansion of wireless networks
- Annuity driven business model – stable and growing revenues
- Long term (10–15 years) contracts with telecom operators, with a built in escalation
- Tower Company also ensures 24x7 energy provisioning for uninterrupted network coverage
- Relatively fixed cost structure and low level of maintenance
- Predictable and growing free cash flow

STRUCTURE OF INDIAN TELECOM TOWER INDUSTRY

Telecom towers form the backbone of wireless networks and provide last mile connectivity to subscribers. The telecom tower industry has rapidly grown in a short span of time. GTL Infra played a pioneering role in shaping the industry, and is the first telecom tower company in India to get listed on the Indian stock exchanges and is today the leading independent telecom tower Company.

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

- Operator owned tower companies (for eg. – Indus, Bharti Infratel, Reliance Infratel & Viom)
- Independent tower companies (for eg. – GTL Infra, American Tower Corporation, Tower vision)
- Towers owned by government operators like BSNL and MTNL

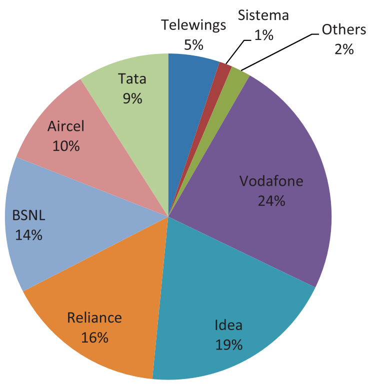
INDUSTRY STRUCTURE & DEVELOPMENT

INDIAN TELECOM INDUSTRY

The Indian telecom industry is one of the fastest growing and most competitive in the world. The Indian telecom tariffs are still among the lowest in the world. A Snap shot of the Indian telecom industry (As on March 31, 2014)

- Total wireless subscriber base – 904.51 Mn., as against 861.66 Mn. in February 13
- Share of rural subscribers – 41.11%, increased from 39.5% in February 13
- Overall wireless teledensity – 72.94% increased from 70.42% in February 13
- Urban tele density – 139.86%
- Rural tele density – 43.27%

Service provider wise market share as on March 31, 2014



(Source: TRAI press release on telecom subscription data as on March 31, 2014.)

MAJOR DEVELOPMENTS IN THE INDUSTRY

The year has seen signs of stability and clarity in regulation returning to the sector. The following are some of the major industry developments that are likely to have an impact on the earnings and profitability of the sector.

Spectrum:

- All spectrum required for access services is being allotted through a transparent auction process. The recently concluded spectrum auction in Feb 14 is testimony to this fact
- Government has taken a decision to allow spectrum sharing. Detailed guidelines are expected soon
- The government has also come out with a roadmap on the spectrum availability as well

FDI Policy:

- 100% FDI in telecom is now allowed

M&A norms:

- The market share of the combined entity not to exceed 50%
- The new rules require the acquiring telco to pay market rates (to the government) for spectrum above 4.4Mhz in the acquired telco,

Unified licensing:

- All future telecom licenses will be granted as Unified Licenses, which will allow operators to utilize spectrum for any type of data or voice services
- All Unified Licenses to have validity of 20 years

Spectrum auctions – Feb 2014

The salient features of the auction process in Feb 2014 are as follows:

- Reserve Price was lower than previous auctions
- Total winning bids amounted to ₹ 61,162 Cr.
- 900 MHz Auction saw competitive bidding. Delhi Circle received bids of more than 200% of Reserve Price
- The quantum of Spectrum available for 1800 MHz band was higher
- Operators hedged against the upcoming 900 MHz auction in 2015, by buying spectrum in 1800 MHz
- 8 Major operators participated in the Auction
- Airtel, Vodafone, Idea and R Jio acquired 95% of the auctioned Spectrum

OPPORTUNITIES AND THREATS

The opportunities and threats that the industry is facing are enumerated below

NETWORK EXPANSION POST FEB 14 AUCTIONS

With clarity in the regulatory policy and the successful completion of the 1800 Mhz and 900 Mhz auctions, the telecom industry is looking forward with a renewed hope towards growth and profitability.

Post the auctions, several operators have come out with their growth plans, (Source: Media reports) which are described below

R Jio

- R Jio plans to provide seamless 4G services using FDD–LTE on 1800 MHz and TDD–LTE on 2300 MHz through an integrated ecosystem.
- The FDD–LTE technology would be used for voice / Data services aimed at the retail segment
- The TDD–LTE on 2300 Mhz would be used for offering services to enterprise customers

Airtel

- Airtel has also collected the largest chunk of spectrum, 115 MHz overall, while being the second largest contributor to the government exchequer from the auctions, at ₹ 18,529.64 Cr.
- The Company plans to roll out high speed 4G networks in 14 circles using FD–LTE technology in the 1800 MHz band and with TD–LTE technology in the 2300 MHz band in remaining eight circles, giving it a pan–India 4G footprint

Vodafone

- Vodafone with bids totaling ₹ 19,644.72 Cr. emerged as the largest contributor.
- Vodafone India has retained the existing 900 MHz spectrum in three most important Circles – Mumbai, Delhi and Kolkata and has bought spectrum in the 1800 MHz band in Mumbai, Delhi, Kolkata, Karnataka and Kerala to roll out 4G services. According to the company, these circles currently make up for 50% of Vodafone India’s data revenues.

Aircel

- Aircel has won spectrum in the Circles of Jammu & Kashmir, Rajasthan, North East, UP (East) and West Bengal
- It acquired the most spectrum of 1.8 MHz in the Circles of Jammu & Kashmir, North East and UP (East)

Idea

- Idea Cellular, announced that it would launch 4G services in 8 of its key revenue markets, where it acquired fresh spectrum in the recently concluded auction. The Circles will be Kerala, Andhra Pradesh, Maharashtra & Goa, Madhya Pradesh & Chhattisgarh, Punjab & Haryana
- Idea Cellular stated that it is able to launch 4G services in Kerala with 10 MHz, and in Maharashtra & Goa, Andhra Pradesh, Karnataka, Madhya Pradesh & Chhattisgarh, Punjab, Haryana, and North East, using 5 MHz of contiguous 1800 MHz spectrum won in each of these service areas.

Telewings (Uninor)

- Uninor, has successfully acquired additional spectrum in the 1800 MHz band for four of its six existing circles – UP East, UP West, Bihar and Jharkhand and Andhra Pradesh – and for its new circle of Assam at a total investment of ₹ 844.72 Cr.
- Uninor to deploy 5000 additional network sites, This is a 30% expansion of network sites in one go – the largest ever since launch of operations – and will be completed within the next five months.

GROWTH OF DATA SERVICES

India is home to the second largest mobile subscriber base and is one of the fastest growing mobile internet base across the world

(Data Source : Mobile Internet in India November 30, 2013 –Telecom Circle, International Data Corporation and Cyber Media Research)

Some of the drivers for the data services are as follows:

Inexpensive devices

- Smartphones are getting cheaper and bigger with better features

- As per IDC, the number of Smartphones that have a screen size between 5 inches and 7 inches grew by a whopping 17 times in the market in the last one year
- Large screen aids browsing and entertainment

Low–priced EDGE services

- 2G services are available for as low as US$ 1.5 per 2 GB data
- Recently operators have reduced mobile internet price on 'prepaid' by 80%

3G

- Pan India Coverage by operators at abysmally low ~ 30%
- 3G Rentals are coming down

4G

- R Jio may launch by January, 2015 at predatory pricing may fuel price wars amongst 3G and 4G operators
- Adoption of High Speed Data on Mobile devices could see explosive growth

Entertainment

- Content consumption is on the rise
- India is the second largest market for YouTube across the globe and as many as 40% YouTube users in India access through mobile phones
- India is 3rd largest applications market and games are the largest genre among applications

Innovative tariff plans

- The operators are undertaking novel offers to bring more subscribers under their service and boost their revenues
- Reliance GSM is offering one such 'phone+tariff offer' to its customers by clubbing its unlimited talktaime and data usage with 3G on the iPhone 5S and the iPhone 5C
- It is expected that other operators will follow suit with such offers improving their Revenues and demand for 3G enabled service

As it has been seen in mature markets, the growth in data traffic, will force service providers to expand their networks for improving the quality of experience of their customers.

DEMAND FROM 3G / 4G OPERATORS

The 3G spectrum which was allotted at higher frequency of 2100 Mhz requires the operators to set up more cell sites to establish 3G coverage. The service providers for their 3G roll out, primarily were focussed on the coverage, and hence were co–locating their 3G equipment at their 2G sites. Hence, the rentals for 3G BTS were not the same as that of 2G BTS, and are reduced to 10–30% of 2G BTS.

Moving forward, the focus would be on the enhancing capacity and improving the quality of service. Moreover, as the number of towers required, for 3G coverage at 2100 MHz, is higher than 2G at 900/1800 MHz spectrum, there would be an additional requirement of capacity, which would be positive for the tower companies. The roll out of 4G networks, has also gathered pace, with several announcements that have been coming from 4G players.

3G COVERAGE BY CIRCLE CATEGORY

Metros – Of all the telecom circles, metro circles are best covered geographically. Still there are patches where 3G is handed over to 2G. On an average, additional 15–20% 3G sites are required to provide same coverage as 2G.

CAT A circles – Of the Top 50 cities where 3G is launched, additional 15–20% 3G sites are required to provide the same coverage as 2G. On an average, 20–25% of existing 3G sites are required to cover the non–covered cities in Top 50 cities.

CAT B circles – Of the Top 50 cities where 3G is launched, additional 15–20% 3G sites are required to provide the same coverage as 2G. On an average, 20–25% of existing 3G sites are required to cover the non–covered cities in Top 50 cities.

CAT C circles – The contribution on these circles to total mobile data (2G & 3G) has traditionally been low due to poor coverage of both 2G and 3G. Of the Top 50 cities where 3G is launched, additional 25–30% 3G sites are required to provide the same coverage as 2G.

(Source: MBit Index, 2014 Issue, Nokia Siemens Networks)

POTENTIAL DEMAND DUE TO REFARMING OF SPECTRUM

The plans to refarm the 900 Mhz spectrum, to 1800 MHz, in turn will increase the demand for towers upto 1.6x times the current tenancies.

RURAL EXPANSION

As on March' 14 the overall wireless tele density has been 72.94%, with the share of rural subscribers at 43.27%. The rural area, continues to be a growth engine for additions of mobile subscriber base, with most of the metros and class A circles reaching saturation levels.

The operators facing a stagnated growth in urban areas will seek to penetrate their network in rural areas with an objective of increasing their market share. While companies with good footprint in rural India could benefit from growing demand.

The tower industry plays a major role in enhancing the rural connectivity where dedicated tower is not financially justified due to lower ARPU. In these rural areas the tower companies are providing all infrastructure and services to mobile operators and offer a very low network operating cost.

CONSOLIDATION AMONG TELECOM OPERATORS

Consolidation among telecom operators, is a reality which might happen in the next one to two years.

All the top operators are actively looking at consolidating their presence in the Indian telecom market, and further leverage the cost efficiencies and gain market share. The operators, who have been lagging in the market place, are also looking at alternate strategies, as requisite scale in the Indian market has become one of the key success factors.

Consequently, the M&A activity in the telecom provider space is going to have an impact on the telecom tower companies as well. However, telecom tower companies are protected by long term contracts that are already in place.

From a long term perspective industry perspective, if and when consolidation happens, there will be an easing of competitive pressures and teleco operators will be in a position to allocate more money towards investments into growing the capacity and coverage of their existing 2G and 3G networks and also roll out 4G networks.

CONSOLIDATION AMONG TOWER COMPANIES

The Indian tower industry to be profitable on a sustainable basis, needs to consolidate, just like in mature markets where not more than two or three players exist. A fewer operators will mean a better competitive environment and increased tenancies, leading to better profitability.

FUTURE GROWTH DRIVERS

There are certain drivers that could lead to sharing of towers which are discussed below:

- Launch of 4G / LTE networks: Using 4G / LTE technology, Operators can provide high speed data services to subscribers. With internet penetration, the growth of data services in expected to ride on easy availability of smart phones in India. The launch of these networks is expected to give further fillip to requirements of telecom towers
- Focus on Quality of Service: Competitive telecom tariff alone is not a strategic advantage to telecom operators. Pricing along with better network quality will be a key driver for operators to retain and acquire new subscribers. The quality of customer experience becomes all the more important with the growth of data services. With expanded subscriber base and limited spectrum availability, operators are left with little option but to bring down the number of subscriber per BTS by creating a denser cellular network. This will drive demand for sharing of towers in urban areas

OPERATIONS

The Company is a pioneer in the shared passive infrastructure business in India. The Company's approach towards business growth and delivery is focused on leveraging its leading position to take advantage of the growth opportunities in the fastest growing and second largest telecom market.

PORTFOLIO DETAILS

All the telecommunication towers of the Company are configured to host multiple wireless service providers. The number of antennae its towers can accommodate varies depending on the type of tower (GBT or RTT). Generally, a GBT site can accommodate around 3–4 Operators, while a RTT site can accommodate upto 2–3 Operators.

The breakup of the combined tower portfolio of the Company and CNIL as on March 31, 2014 across India is as shown in the table below:

Region	No of Towers
North	5,857
South	9,117
East	8,468
West	4,397
Total	**27,839**

As on March 14, the tennacies ratio is 1.45

IMPROVING EFFICIENCY OF OPERATIONS

Operations team has taken various initiatives during the year for Improving efficiency of operations.

- The Company is focusing on optimizing operational processes. On periodic basis the processes are reviewed for requisite amendments, to ensure overall operational efficiency
- The process re–engineered in the recent months was that of reduction in the timeline for rectification / replacement of infra–item once identified & registered as faulty at the cluster level

RECTIFICATION OF TELECOM TOWER SITES

- Maintaining infrastructure is an ongoing activity for any Tower company to ensure its Customer's (Operator) Site Uptime. Equipments which are falling in the "End of Life" (EOL) category in the next 6 months are categorized under a predefined project and the replacements are monitored by a dedicated team. Under the project various equipments like Diesel Generators, Battery Banks, SMPS Systems, Air Conditioner are replcaed

EFFORTS TO REDUCE CARBON FOOTPRINT

- EB Drive: Emphasis is being given to bring EB connection on the sites which are currently Non–EB and where DG is the prime source of energy for the site to be operational.
- DG Capacity Re–validation (High to Low): The GTL Infra sites are designed to host multiple operators. Sites which have been occupied by lower–tenancies as compared to the designed capacity are being categorized for revalidations and possible swap sites
- Indoor to Out–door: Sites where Operators are in agreement to change from Indoor to Outdoor BTS sites for mutual benefits
- Free Cooling Device: Use of Free Cooling devices in place of Air Conditioner in the relevant terrain are identified for energy conservation

MERGER OF CNIL AND GTL INFRA

Post CDR of GTL Infra and CNIL, the financials and capital structure of both the Companies has changed substantially. Therefore the Company has decided to modify the Scheme of Arrangement and submit it for approval of the Hon'ble Courts, subject to all approvals of shareholders, CDR EG, Banks and relevant statutory authorities.

FUTURE OUTLOOK

The Company intends to maintain its leadership position, as the leading third party Independent Telecom Tower Infrastructure Company in India. The Company plans to capitalize on the 3G & 4G rollouts by providing comprehensive and value enhanced services to the Operators in cost efficient manner. This could increase occupancy on the tower and the Company will continue to explore organic & inorganic growth opportunities to strengthen its footprint in the Tower Infrastructure business.

Overall, the Company expects the tenancy growth to be driven by upcoming rollouts of 3G / 4G networks and the focused expansion by existing operators in semi urban and rural areas.

The clarity in the telecom sector, would spur the cycle of investments which would help the tower industry as well. The regulators and the government are also working on freeing the sector of several problems if faces, through the new telecom policy.

INTERNAL CONTROL SYSTEM

The Company has Internal Control system in place in order to achieve orderly and efficient conduct of its business, including adherence to management policies, safeguarding of assets, prevention and detection of fraud and error, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Internal Audit Department is responsible for the internal control function in the Company. It performs audit to monitor and evaluate the effectiveness of the organization's internal control systems and adherence to management policies and statutory requirements.

The audit coverage in the Internal Audit Department of the Company is in sync with the objectives of Internal Audit as prescribed by the Institute of Chartered Accountants of India (ICAI). The role of Internal Audit Department in the Company is as given below:

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

The Internal Audit Committee meets regularly as may be required to review the functioning of internal audit setup in the Company. The Internal Audit function in the Company is monitored by the Board Audit committee with assistance from the Internal Audit Committee. The Board Audit Committee periodically reviews audit plans, audit observations of both internal and external audits, audit coverage, risk assessment and adequacy of internal controls.

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

HUMAN RESOURCES

We believe manpower resources at GTL Infra play an important role in providing quality infrastructure to the telecom operators. Our manpower resources are most important assets for the Company. Human Resource (HR) function at GTL Infra ensures that a favourable work environment with multiple opportunities for leadership growth is created. The HR strategy aims at attracting, developing and retaining talent in the organization.

EMPLOYEE PROFILE

The employee strength of the Company stood at 406 (including CNIL) as on March 31, 2014. The Company continues to invest in resources and to recruit people through various sources.

HR at GTL Infra would continue to strive for betterment of the employees and work towards creating an environment of excellence and innovation.

QUALITY

GTL Infra is an ISO 9001:2008 certified and is committed to providing its customers with value added services along with its core offerings. The Company has established a set of key principles and processes that ensure high level of 'Quality' along with 'Efficiency' in its services.

Quality Management System at the Company comprises of the standards & initiatives used for execution and O&M of the sites (Passive Telecom Infrastructure) using a set of Internal & External processes. The system is made up of several processes interlinked / interfaced (software applications) including procedures, work instructions, formats, resources, policies, guidelines, regulations, materials, supplies, tools & equipments, which help us to transform inputs into desirable outputs.

PROJECT SITE & PROCESS QUALITY

As per our philosophy, quality management is doing the right thing right the first time by way of right quality definition and quality improvement at the execution stage. This saved lot of resources in rework and maintenance and has helped the Company to save on its infrastructure provisioning cost and has boosted the Company's EBITDA Margin. This was mainly achieved through categorizing the sites based on their quality into three buckets and bringing majority of sites under the AAA category from AA & A categories.

REDUCING NON CONFORMING SITES TO NEAR ZERO LEVELS

Bearing fruits from the optimum utilization of automation and process improvement initiatives like land & legal, I–mist, MIS portal & Incentive management system were implemented last year.

Implementing various process improvement initiatives like IQMS (Integrated Quality Management system) which mapped various quality standards to the Company's quality road map.

HEALTH SAFETY AND ENVIRONMENT

GTL Infra is committed to Health and safety of all its people working for it, by providing a clear written statement of intent and plan of action for creating and maintaining a healthy, safe and environment friendly work environment.

GTL Infra has set in place documented procedures which ensure the Health, Safety and Wellbeing of Employees, Contractors, Assets and Customers property. The Company has set the HSE policy, objectives and shared the responsibility to continually improve the HSE performance. HSE committees across pan India contribute in improving the HSE performance by Training, Communication, Audit, Handling Emergencies, Mock Drills etc.

DISCUSSION ON FINANCIALS

The Financial Year ("FY") 2013–14 marked the seventh year of operations for the Company. The discussion and analysis of 'Results of Operations' and 'Balance Sheet' that follows are based upon the financial statements, which have been prepared on accrual basis, in accordance with the Accounting Standards referred to in the 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 results for FY 2013–14 and FY 2012–13 have been converted into US$, using the following conversion rates.

Particulars	FY 2013–14 (₹)	FY 2012–13 (₹)
Profit and Loss Account – 1 US$ equals to	61.64	54.39
Balance Sheet – 1 US$ equals to	59.81	54.51

Note:

1) Due to fluctuation in conversion rate, the figures for current financial year mentioned in US$ Mn. are not truly comparable with those of previous year. The Exchange rates for FY 2012–13 are as per last annual report.

SEGMENT–WISE REPORTING

The Company is predominantly in the business of providing 'Telecom Towers' on shared basis and as such there are no separate reportable segments.

RESULT OF OPERATIONS

Net Income from Operations

Net Income from operations of the Company for FY 2013–14 stood at ₹ 578.73 Cr. (US$ 93.89 Mn.) witnessing a y–o–y increase of 2.18 % as compared to ₹ 566.39 Cr. (US$ 104.14 Mn.) in FY 2012–13. Despite the loss in tenancies during FY 2013–14, due to various industry related factors, the net income was higher, largely due to annual escalations in monthly provisioning fees.

Other Income

The other income stood at ₹ 36.71 Cr. (US$ 5.96 Mn.) in FY 2013–14 as compared to 4.53 Cr. (US$ 0.83 Mn.) in FY 2012–13. This includes interest income, profit on sale of current investments and miscellaneous income.

Infrastructure Operation & Maintenance Cost (Net) – (Infra O&M Cost)

The Infra O&M cost consists of rentals for cell site premises, cell site security costs, cell sites operation & maintenance costs, annual maintenance charges for towers, diesel generators, and air conditioners, power & fuel expenses and its reimbursements.

The Infra O&M cost for the year ended March 31, 2014 was ₹ 224.27 Cr. (US$ 36.38 Mn.) as compared to ₹ 197.11 Cr. (US$ 36.24 Mn.) for the year ended March 31, 2013.

The Power & Fuel expenses comprise diesel costs and electricity charges. These are incurred by the Company, on behalf of Telecom Operators for operating the cell sites. These expenses are reimbursable from operators as per respective agreements.

Employee Benefit Expense

The 'Employee Benefit Expense' includes employee compensation costs, employees related benefits & welfare costs. It was ₹ 18.97 Cr. (US$ 3.08 Mn.) for FY 2013–14 as compared to ₹ 18.53 Cr. (US$ 3.41 Mn.) for FY 2012–13.

Other Expenses

The 'Other Expenses' consist mainly of legal and professional charges, office rent and related expenses, travel and conveyance, insurance premium, provision for doubtful debts, advertisement and business promotion expenses and loss on sale of fixed assets.

The 'Other Expenses' stood at ₹ 95.75 Cr. (US$ 15.53 Mn.) for FY 2013–14 as compared to ₹ 71.75 Cr. (US$ 13.19 Mn.) for FY 2012–13 out of which the Company has provided ₹ 25.52 Cr. (US$ 4.14 Mn.) towards doubtful debts on account of cancellation of 2G license of operators etc.

Earnings Before Interest Depreciation Tax and Amortisation (EBIDTA)

The EBIDTA for FY 2013–14 was ₹ 269.57 Cr. (US$ 43.73 Mn.) as compared to ₹ 279.64 Cr. (US$ 51.41 Mn.) in FY 2012–13. The operating costs for a tower are relatively fixed and does not increase proportionately with additional tenancy.

Particulars	FY 2013–14 (₹ Cr.)	FY 2012–13 (₹ Cr.)	Y–o–Y change (%)	FY 2013–14 (US$ Mn.)	FY 2012–13 (US$ Mn.)
Revenue	578.73	566.39	2.18	93.89	104.14
Less: Infra O&M	224.27	197.11	13.78	36.38	36.24
Less: Employee Cost	18.97	18.53	2.37	3.08	3.41
Less: Administration Cost	65.91	71.11	(7.31)	10.70	13.07
EBITDA	269.57	279.64	(3.60)	43.73	51.41
EBITDA Margin	46.58%	49.37%	(5.65)	46.58%	49.37%

Depreciation, Amortization and Impairment Expenses etc.

The Depreciation, Amortization and Impairment was ₹ 389.03 Cr. (US$ 63.11 Mn.) as compared to ₹ 486.43 Cr. (US$ 89.43 Mn.) in FY 2012–13.

Impairment of Assets & Exceptional Items

The Company, during the year, carried out an annual exercise of idenfing assets that may have been impaired in accordance with the Accounting Statndard AS 28 'Impairment of Assets'. Considering the continued unfavourable telecom environment prevailing in the country and consequential under utilization of passive telecom infrastructure, the management has identified certain plant and equipments (including those under installation) as impaired. Accordingly an impairment of ₹ 130.21 Cr. (US$ 21.12 Mn.) in FY 2013–14 as compared to ₹ 221.14 Cr. (US$ 40.66 Mn.) in FY 2012–13, has been charged to the Profit & Loss for the year ended March 31, 2014. Similiarly exceptional item represents provision of ₹ 60.00 Cr. (US$ 9.73 Mn.) as compared ₹ 133.21 Cr. (US$ 24.49 Mn.)

Finance Costs (Net)

Finance costs (Net) comprises of interest expenses and bank charges, net of foreign exchange gain / loss.

Particulars	FY 2013–14		FY 2012–13	
	Amount (₹ Cr.)	Amount (US$ Mn.)	Amount (₹ Cr.)	Amount (US$ Mn.)
Interest expense– (A)	370.68	60.14	347.81	63.95
Other Borrowing Cost –(B)	7.08	1.15	2.73	00.50
Total – (A+B)	377.76	61.29	350.54	64.45
Foreign Exchange Gain/ (Loss) (Net)–(C)	NIL	NIL	NIL	NIL
Total – (A+ B–C)	377.76	61.29	350.54	64.45

From July 1, 2011, the interest has been provided on effective rate of 10.75 % over the tenure of the restructuring facility in terms of the Company's financial restructuring package approved by CDR Empowered Group (CDR EG) vide its letter dated December 23, 2011 ('CDR Letter').

However, the rate of interest in FY 2013–14 reflects the commercial rate of interest which is higher than the effective rate of interest as per CDR letter.

In view of the above, the aggregate annual interest for FY 2013–14 shows an increase against that of FY 2012–13.

BALANCE SHEET ITEMS

Shareholder's Funds

Paid up Share Capital

The paid up Share Capital of the Company was at ₹ 2,306.80 Cr. (US$ 385.69 Mn.) as on March 31, 2014 as compared to previous year ₹ 2,306.80 Cr. (US$ 423.19 Mn.)

Reserves & Surplus

As on March 31, 2014, Reserves & Surplus of the Company had a debit balance of ₹ 1,320.18 Cr. (US$ 220.73 Mn.). The movement in the Reserves and Surplus during FY 2013–14 is as follows:

Particulars	Amount (₹ Cr.)	Amount (US$ Mn.)
Reserves & Surplus (As on April 1, 2013)	(663.18)	(110.88)
Add: Securities premium account	(34.60)	(5.78)
Add: Employee Stock option Outstanding (Net)	(10.60)	(1.77)
Add: Foreign Currency Monetary Item Translation Difference Account	(71.16)	(11.90)
Add: Deficit for the current Year	(540.63)	(90.39)
Reserves & Surplus (as on March 31, 2014)	(1,320.18)	(220.72)

Net worth as on March 31, 2013

Particulars	Amount (₹ Cr.)	Amount (US$ Mn.)
Equity Capital	2,306.80	385.69
Reserves & Surplus	(1,320.17)	(220.73)
Net worth	986.63	164.96

Loan Funds

Borrowings

The Borrowings (other than current maturities) as on March 31, 2014 stood at ₹ 4,916.73 Cr. (US$ 822.06 Mn.) as against

₹ 4,880.62 Cr. as at March 31, 2013. It mainly comprises of:

Particulars	FY 2013–14		FY 2012–13	
	₹ Cr.	US$ Mn.	₹ Cr.	US$ Mn.
Rupee term loans:				
– Banks	**3,317.23**	**554.63**	3,382.04	620.44
– Financial Institutions	**82.45**	**13.79**	82.73	15.18
Foreign currency loans:				
– Financial Institutions	**74.10**	**12.39**	73.58	13.50
Unsecured loans:				
– FCCB	**1,442.95**	**241.26***	1,342.27	246.24
– Acceptances	**NIL**	**NIL**	NIL	NIL
Total	**4,916.73**	**822.06**	4,880.62	895.36

* As on March 31, 2014 outstanding FCCBs' are 245,955 of US$ 1,000 each.

Fixed Assets

The fixed asset block (Net block + Capital work in progress) as on March 31, 2014 is ₹ 3,631.99 Cr. (US$ 607.25 Mn.). The Capital work–in–progress comprises mainly of capital goods inventory, pre–operative and carrying costs.

Investments

The total investments in the book of Company stood at ₹ 1,872.37 Cr. (US$ 313.05 Mn.) as on March 31, 2014 as compared to ₹ 1,892.51 Cr. (US$ 347.19 Mn.) as on March 31, 2013 . This includes investment made by the Company in CNIL for acquisition of Aircels' towers.

Current Assets

The current assets of the Company excluding current investments were worth ₹ 668.39 Cr. (US$ 111.75 Mn.) as on March 31, 2014 as compared to ₹ 599.46 Cr. (US$ 109.97 Mn.) as on March 31, 2013. The current assets primarily consist of trade receivables, loans and advances and cash and bank balances.

Other Current Liabilities and Provisions

The Other current liabilities of the Company were ₹ 353.30 Cr. (US$ 59.07 Mn.) as on March 31, 2014. It primarily consists of current maturities of rupee term loans from banks and financial institutions and foreign currency term loans from financial institutions of ₹ 76.32 Cr. (US$ 12.76 Mn.)

Long–term and short–term provisions of ₹ 0.94 Cr. (US$ 0.16 Mn.) as on March 31, 2014 consist of provisions for employee benefits such as gratuity and leave encashment.

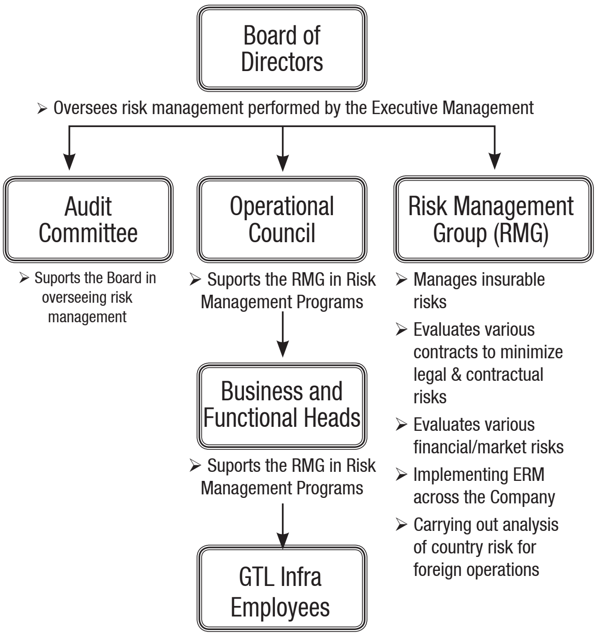
RISK MANAGEMENT

In today's dynamic business environment 'Risk Management' is an essential function to have a sustainable and effective business model in place. In India, Enterprise Risk Management (ERM) has evolved steadily in progressive companies. It is developing from being merely a risk identification and assessment process to building a risk portfolio that is continually assessed and monitored. The perception that "risk is not my responsibility" has evolved to a more realistic "risk is everybody's responsibility".

We at GTL Infra have a Risk Management Group (RMG) in place to facilitate the execution of risk management across the organization. Our approach is to identify, monitor and evaluate risk throughout the group companies and to manage these risks within our risk appetite. For the very purpose we have an Integrated ERM Framework in place.

This report is prepared in accordance with Clause 49 (IV) of the Listing Agreement with Stock Exchanges in India, sets out the ERM practiced by GTL Infra. Shareholders and other readers are cautioned that the risks outlined here are not exhaustive and are for information purposes only. New risks and uncertainties arise from time to time and it is impossible for us to predict these events or how they affect us.

RISK MANAGEMENT STRUCTURE



OVERVIEW

GTL Infra took a decision to restructure its financial indebtedness in the year 2011–12 and has completed and implemented the Corporate Debt Restructuring (CDR) for Rupee denominated Debt. It has also restructured its Foreign Currency Convertible Bonds in 2012–13. The current progress under the CDR plan is outlined in the Directors Report.

I. FINANCIAL RISK

Market Risk

The global perspective

- Estimates show that 70% of world growth over the next few years will come from emerging markets, with China and India accounting for 40% of that growth
- Adjusted for variations in purchasing power parity, the ascent of emerging markets is even more impressive: the International Monetary Fund (IMF) forecasts suggest that investors will continue to invest in emerging markets for some time to come. The emerging markets already attract almost 50% of foreign direct investment (FDI) global inflows and account for 25% of FDI outflows
- The brightest spots for FDI continue to be India, Africa, the Middle East, and Brazil, Russia, and China (the BRICs), with Asian markets of particular interest at the moment
- By 2020, the BRICs are expected to account for nearly 50% of all global GDP growth. Securing a strong base in these countries will be critical for investors seeking growth beyond them
- According to IMF, Global activity strengthened during the second half of 2013, as anticipated in the October 2013. Activity is expected to improve further in 2014–15, largely on account of recovery in the advanced economies. Global growth is now projected to be slightly higher in 2014, at around 3.7 percent, rising to 3.9 percent in 2015

The Indian perspective

- RBI shall continue to maintain current level of interest rates and has fixed the Consumer Price Index as the key economic marker to bring down interest rates. Interest rates are unlikely to soften significantly in the current financial year. Currently Market risk is moderate for the Company owing to the CDR that has been completed, helping bring down interest rate to the extent of the rupee term loan exposure. The domestic currency risk has thus been successfully postponed
- The Company has External Commercial Borrowings of 12 Mn. Euro and FCCB of US$ 241.26 Mn. This poses both a foreign currency risk as this is un–hedged as well as a liquidity risk. The Company has restructured FCCB successfully and has postponed the liability till November 2017
- As the revenues from our existing business lines are all dependent on the sustainability of Telecom sector, we believe that macroeconomic factors, including the growth of the Indian economy, interest rates, as well as the political and economic environment, have a significant direct impact on our business, results of operations and financial position

Liquidity & Leverage Risk

- The Telecom industry, which is the main contributor to the Company's revenues, continues to face intense liquidity and cost pressures which are adding to the strain on margins and timely payments to the Company from customers, thus intensifying the liquidity pressure on the Company. Telecom operators have also bid for additional spectrum in february 2014 and paid the government more than ₹ 60,000 Cr. This has further strained liquidity of Telecom Operators
- The Company's market capitalization has been eroded considerably due to external environment and other factors mentioned in this report. This has made it difficult to raise further capital in the form of equity from financial markets or strategic investors at the moment. Thus, liquidity risks will continue to remain high in the near future

Credit Risk

- The Company focuses on business of Shared Passive Telecom Infrastructure in India. Hence, the customer base is the Telecom Industry in India. As the Telecom sector is facing growth and profitability issues, payments from customers continue to be delayed

II. STRATEGIC RISK

Industry Risk

The telecom operator's growth plans which had been affected due to various factors like low ARPU, lack of liquidity, high domestic interest rates and uncertainties in Telecom Regulations have been significantly addressed by the following steps.

- The Government has permitted 100% FDI in the telecom space for both Telecom Operators and Tower Operators. This is expected to give a major boost to FDI in the sector and ameliorate a lot of liquidity issues facing the sector
- The telecom regulator TRAI conducted auction in February and the Auction saw success where a new entrant Reliance Jio actively participated for 1800 MHz Spectrum. Only 8 major operators participated of which the Incumbent operators like Vodafone, Bharti Airtel, Idea Cellular bid for the spectrum in Metros and Circle A where GTL Infra has major operations. The auction saw successful bidding of ₹ 61,162 Cr.
- The new government and the successful Auction could mean positive avenues for the industry in the next year which will lead to growth in this Sector
- The 3G services have not yet attracted the desired level of customers and still witnesses slow growth. It is anticipated that 3G will pick up in the coming year which will have positive impact on the Company's business prospects and growth
- India will see the advent of a new Pan India operator in Reliance Jio which is expected to commence its operations shortly. Other operators like Bharti Airtel are also expected to increase its 4G footprint in other parts of the country

- Until 2012 India had lowest mobile phone penetration rate in Asia but this has changed. Now India has the second largest base of mobile subscribers in the world and has one of the fastest growing mobile internet base across the world
- The above mentioned factors will lead to an explosive growth in Data Traffic in India which will necessitate more tenancies and this is expected to improve tenancy ratio for our company as well. We have seen a significant reduction in Industry Risk

Business Concentration Risk

- Historically, the Company has been in the telecom sector functioning as an ancillary to Telecom Operators and the customer profile has always been Telecom Operators. Also, historically almost 100 % share of the Company's revenues came from India. Therefore, the element of customer concentration risk was always very high
- Since the Company operates only in India, it continues to face geographical concentration risk as any political, social, economic and or technological factors that govern the country, change or lead to changes in telecom sector have major impact on the profitability of the Company

Competition Risk

- The competitive landscape for the Company is limited in the tower space. The competition is intense among companies like Indus, Viom, Bharti Infratel BSNL & Reliance Infratel. Your Company is the largest neutral & independent tower company in the country and needs to market its independent status and leverage it to gain more tenancies

III. OPERATIONAL RISK

Reputation Risk

- The Company still continues to face reputation risk due to the multiple factors like erosion in market capitalization, the CDR and other issues discussed in this document

Manpower Risk

- The Company's ESOS plans have taken a significant value erosion and most options granted to employees are now out of the money, therefore may not be a likely retention tool for employees in the near term and may lead to higher attrition rates. However, the Company hasn't seen significant attrition rates as the Company has chalked out a good incentive and reward scheme for employees and has thus been able to retain most of its quality manpower resources.

IV. LEGAL & COMPLIANCE RISK

Legal and Contractual Risk

- Litigations may arise from non–adherence to timely deliverables (SLA), though the Company believes there is no significant material impact
- The Company operates across the country. It may face unexpected losses due to deteriorating law and order in some areas, act of God, natural disasters etc.

Regulatory Risk

- The Company is not regulated by any regulatory agency and faces the general regulatory environment that is prevalent in the country. The customers on the telecom side are regulated by the Telecom Regulatory Authority of India (TRAI).

V. OTHER RISKS

These risks may not have direct impact on the organization and its activities. These risks could affect the stakeholders of the Company thus may affect the Company in the long run.

Political Risk

- The Company does not have any interface with the Government or any regulatory authority in its business.

RISK RATING PARAMETERS

The Company has identified the following risks as the Top 5 risks facing the Company and these have been discussed in detail in this Chapter. The level of risk that is perceived by the RMG and the suggested mitigation plans are discussed in the following table.

Rating of risk practices	Relative status
Very low risk *	No or little risk. Manageable by routine procedures. No management intervention required.
Low risk **	Normal risk exists. Manageable by improving operating procedures (internal risks) or being alert (external risks).
Medium risk ***	More than normal risk exists. Requires strong operating procedures (internal risks) and management attention (external risks).
High risk ****	Significant risk. Urgent actions required to eliminate or reduce the foreseeable risk.
Very high risk *****	Substantial risk. Immediate actions required to contain risk. Should be kept on a continuous watch–list.

Top 3 Risks & Mitigation plans

Sr. No.	Type of Risk Rating	Mitigation Plan
1.	Strategic Risk ****	• The Company needs to concentrate on improving tenancy ratio • The Company should consider the option of consolidating or partnering with other telecom tower companies • If necessary Company could look at options of consolidation or reducing non operational sites to curb losses
2.	Liquidity & Leverage Risks ****	• The Company needs to adhere to the obligations listed in the MRA documents signed under the CDR plan to avoid any event of default
		• The Company needs to work on a proposal to refinance the Debt with cheap foreign loan options and/or bring in new strategic investors with business expertise to ease the liquidity situation and boost operational efficiency
3.	Operations Risks ****	• Need to infuse liquidity in operations to reduce this risk. • Need to focus on winning new tenancies and consolidate business • Need to reduce penalties, control expenses and undertake effective cost cutting measures. • Key insurance policies need to be in place to avoid unprecedented liabilities in the future

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility at GIL is a fundamental part of how we conduct our business; we have a continued responsibility towards our Employees, Shareholders and the Social Community. Promoting inclusive growth, sustainable development and expressing our sincere gratitude towards the Communities that we serve is all a part of GIL's CSR philosophy.

GIL's CSR initiatives are carried out through Global Foundation.

Focus Areas of Global Foundation

Global Foundation has been doing considerable work for the last 10 years in four major areas namely – Education, Health, Disability and Community Development.

EDUCATION

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

Gyan IT

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

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

Last year Global Foundation was successful in setting up 18 Computer labs which will benefit approximately 2,139 students of Sindhudurg district. The Foundation has set up more than 106 computer labs all over Sindhudurg district in the last 10yrs which has benefited more than approx.188,000 people.

Gyanjyot Education Financial Support Program:

The Foundation had started this Educational Financial Support scheme in order to support children from economically backward families. The objective of the scheme is to provide financial assistance to meritorious students belonging to poor families so as to enable them to pursue and complete their education. Year 2013–14 saw many people and employees taking advantage and more than 900 students were supported financially under this program, we hope to see the number of beneficiaries increasing every year.

Knowledge on Wheels:

Global Foundation under project 'KNOW', reaches out to the rural students through its mobile computer lab along with a qualified instructor. This unique mobile computer lab traverses through rural areas to promote IT literacy and more than 43,200 students have been covered by this program. At present the KNOW bus moves through the remote hilly areas of Pathanamthitta, Kerala and training the adivasi children, village youngsters and housewives to become computer literate. The tremendous response from that area has also been seen and appreciated by educationists with a request to launch a similar kind of bus in other such remote areas.

Education for Peace

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

EFP is holistic, embracing the physical, emotional, intellectual and social growth of children within a framework of human values. In addition to teacher training, we also organize activities for students and parents.

- Students: Schools are encouraged to form Harmony Clubs where students are given opportunities to experience and internalize Peace values. Activities like camps, yoga classes, rallies with peace messages, drawing and literary competitions with peace as theme are held
- Parents: Interactive sessions to create awareness on EFP are organized. Tips on parenting and positive participation in school transactions are discussed. On Invitation, we visit housing Societies and social organizations to conduct awareness programmes on EFP

EFP activities in 2013–14:

- Implemented in 2009, EFP activities have grown substantially. Kudal has been the centre of EFP activities which in the year 2014 culminated with a two–day Conclave of teachers and students held in February 2014. The activity– oriented training for teachers was a step forward in transforming teachers to be Peace educators. Through fun activities students were exposed to peace values
- Next big step is to initiate this program in schools of Aurangabad. The first workshop will be held in June 2014 where in eighty teachers from five different schools will be participating

The year has been earmarked to reach out to more schools in different parts of Maharashtra including Mumbai, Navi Mumbai, Aurangabad and Pune district.

ENVIRONMENT, HEALTH & SAFETY

Emergency Medical Financial Assistance

As per the World Health Organization (WHO) survey, there are around 30% of people who die due to lack of adequate Emergency Medical Services. Emergency financial assistance for treatment is an essential part of the overall healthcare provided by Global Foundation as it saves lives by providing immediate medical attention. Therefore, developing a strong emergency medical financial assistance system has been one of the focal points of the overall health care objectives of Global Foundation.

Our Positrons (volunteers) form an integral part of this system as they help in creating the right awareness for collecting fund for a needy case. Most of the times the Foundation helps out an emergency case patient by sanctioning funds with the help of Trustees approval. In the year 2013–14 the Foundation has supported 19 such medical emergency cases.

Aarogya

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

Global Foundation has been creating health awareness in most parts of Maharashtra and is doing its best by spreading and having general health camps, diabetic awareness, ophthalmic camps, blood donation camps etc. for more than 10 years.

Global Foundation in Sindhudurg operates a mobile health van that travels to areas that do not have ready access to health services. Our mobile health van enables doctors, organizations and health counselors to overcome the obstacles that often prevent or deter people from obtaining important health tests and this program supports the Foundation's community health outreach efforts.

The mobile health van frequently visits community centers, old age homes, schools etc. to conduct various health related camps such as diabetes awareness, blood donation, eye checkup, etc. The mobile health van services provided are free of charge as the Foundation. Hemoglobin checkup camps have helped people identify and treat many potentially harmful diseases.

The team at Kudal has been working towards building up a strong preventive health care service system. The year 2013–14 saw a lot of such camps being organized and notable among them were the below mentioned

- Eye checkup camps – 14 camps; Beneficiaries – 1,431 people
- Cataract detection and operation beneficiaries – 100 people
- School health checkup camps – 5 camps; Beneficiaries – 625 people
- Blood donation camps – 4 camps; Beneficiaries – 222 people
- Leptospirosis awareness – 2 camps; Beneficiaries – 380 people

Cyclothons

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

Green Lane

Green Lane campaign had been conceived by a young 22 year old architect, Ashik Jain. Ashik is passionate about creating in awareness and a change on this cause for a green lane in India. He has undertaken a unique journey on a cycle from Kashmir to Kanyakumari, a distance of 5,000 Kms and met with over 70 schools to share the message of peace and harmony amongst school children and young adults.

Pedal for Peace

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

So far the cyclists have covered more than 13,000 kms spreading the message of cycling and peace.

DISABILITY

Netra

Disability is not just a health problem but a complex phenomenon. Overcoming difficulties faced by the visually impaired requires interventions by the community to remove environmental and social barriers.

Global Foundation has initiated and now supports Project Netra for the visually impaired by setting up Advanced Computer center. Global Foundation intends to provide proper training and support to enable the visually impaired to cope up with a competitive work environment, achieve success in pursuing higher education and discover better employment opportunities.

The Computer courses are supported by additional soft skills and personality development programs by Positrons and other volunteers. Refresher courses and sessions on interview giving are conducted for the visually impaired to enhance their job prospects in today's competitive market.

Last year a total 16 students were awarded certificates on successful completion of their courses. Many of them have found jobs in the IT sector, banks and have become financially independent. At present the Foundation is running successful batches and 18 students are currently undergoing the basic computer course at Global Foundation's Advanced Computer center for the Visually Challenged.

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

Case Study: Khandu

Khandu Bhandare was born on May 20, 1987 and is currently working with State Bank of Hyderabad since November 2013. He completed his schooling from Happy home school for the blind, Mumbai and graduation from Mithibhai college Vile Parle, Mumbai. He went to Bangalore to study computers where he learnt basic computers as well as programming, as he is fond of technology. He could finish only basic computing and came back to Mumbai and joined Global Foundation's Advanced Computer centre, Andheri to learn computer programming. He managed to complete it successfully under the guidance of Raju Singh in 2010 and then his journey started with Global Innovsource as recruitment executive in June 2010. He contributed a lot in recruitment process (Mumbai branch) as far as revenue generation, achieving assigned targets. He got transfered to Global Foundation's Advanced Computer centre for the blind in June 2012 as training coordinator where he shared his computer knowledge with other visually impaired students. This great journey came to an end when he decided to go in for a Government job as clerk with State Bank of Hyderabad.

Talk 64

Global Foundation has developed a Chess Software called Talk 64 which helps a visually challenged person to play chess. This Chess software is being distributed all over the world free of cost through the All India Chess Federation for the Blind. More than 2,000 visually challenged play Chess with this software.

Drishti

Global Foundation creates awareness on Eye donation through mass media campaigns, posters and on the website. The impact of this campaign has been seen, not only Globalites but many others have pledged to donate eyes and also create awareness.

COMMUNITY DEVELOPMENT

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

Employee Volunteerism Program

Unlike financial donations and in–kind support, employee volunteerism programs allow companies to cultivate a personal link to the social community. At Global we have realized that if you give employees the opportunity to pursue their social commitments, they'll have a renewed appreciation for the importance of their jobs. Employees who volunteer their time for the Foundation are known as Positrons–People who exude positivity.

Positrons are the lifeline of our CSR activities, through their continued commitment towards the Foundation's objectives, the Foundation has been able to help, engage all the group employees in a number of activities. At present the Foundation has 20 positrons and its growing.

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

VKC has benefited housewives, generated employment and improved the standard of living of rural women. It's also a center for learning and awareness in rural areas which benefits the rural populace in a big way. Women get to earn a decent amount without having to leave their house for a longer duration and this has added to their self esteem in a huge way.

At present Global Foundation supports two VKCs in Sindhudurg which gives computer education and vocational trainings to women and housewives. Special tailoring batches for girls, soft toy training, purse making etc. have benefited around 38 women from the nearby vicinity. More than 89 women have taken advantage of the computer training programs and have found small jobs nearby their homes.

Art of Giving (Payroll Giving Initiative)

Art of Giving is a voluntary pay roll giving initiative of Global Foundation through which Global Group employees provide financial contributions for the long–term sustainability of all the projects. More than 250 Global Group employees regularly donate to the Foundation.

Marathons

Standard Chartered Mumbai Marathon

Every year Global Group employees participate in the Standard Chartered Mumbai Marathon to support the various causes of Global Foundation. This year too, 75 Group employees took part in the Dream Run to support and donate to the Global Foundation.

Thane Marathon

The Thane Marathon has been an addition this year. 50 employees from the Global group had partcipated in the marathon.

Overall, Global Group employees have so far run over **2,500** kms in support of the Foundation, and raising the awareness about the projects that the foundation supports.

Global Foundation's support to NGOs during the FY 2013–14

- AASARA Children's Home – Support the education of orphan / street children
- Stree Mukti Sanghatana – Support the livelihood training program for women
- SOS Children's Village – Educational Financial support to 20 children
- Gyanamrut Shikshan Mandal – Support to 3 Non–formal school
- Goonj – Donation of old items by employees of the Group Companies
- Forum for Integrated Development and Research – Training of local leaders in Orissa

In accordance with Clause 49 of the Listing Agreement entered into with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the report on compliance of Corporate Governance at GTL Infrastructure Limited is given as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

a) Size and composition of the Board

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2014, the Company has 7 Directors with a Non–Executive Chairman and a Non–Executive Vice Chairman. Of the 7 Directors, 6 (i.e. 85.71%) are Non–Executive Directors and 4 (i.e. 57.14%) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The Board believes that the current size is appropriate and periodically evaluates the need for change in its composition and size.

All the Directors have informed the Company periodically about their Directorship and Membership on the Board Committees of other companies. As per disclosure received from Director(s), none of the Directors on the Board holds Membership in more than ten (10) Committees or Chairmanship in more than five (5) Committees.

The details of the composition, category of directorship, the number of meetings attended and the directorships in other companies of the Directors of the Company are as follows.

Name of Director	Category	Attendance		Number of Directorships in other Indian public limited companies	Number of Committee positions held in other Indian public limited companies*	
		At the Board Meetings	At the last AGM		Chairman	Members
Mr. Manoj Tirodkar@	Chairman, Non–Independent, Non–Executive Director	4	Yes	2	–	1
Mr. N. Balasubramanian	Vice–Chairman, Independent Director	3	No	1	–	–
Mr. Milind Naik	Executive Director	4	Yes	1	–	–
Dr. Anand Patkar	Independent Director	4	Yes	0	–	–
Mr. Charudatta Naik	Non–Independent, Non–Executive Director	4	Yes	0	–	–

Name of Director	Category	Attendance		Number of Directorships in other Indian public limited companies	Number of Committee positions held in other Indian public limited companies*	
		At the Board Meetings	At the last AGM		Chairman	Members
Mr. Vinod Agarwala	Independent Director	3	No	2	–	3
Mr. Vijay Vij	Independent Director	4	Yes	2	1	2
Mr. Satya Pal Talwar #	Independent Director	0	No	N.A.	N.A.	N.A

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

Mr. Satya Pal Talwar, Independent Director deceased on August 9, 2013.

*As required by Explanation (2) to Clause 49(1)(C)(ii) of the Listing Agreement, the disclosure includes memberships / chairmanship of audit committee and investor grievance committee in Indian public limited companies (listed and unlisted).

b) Number of Board Meetings held and the dates on which held

The Board of Directors met four (4) times during the year under review. The maximum time gap between any two consecutive meetings did not exceed four (4) months. The details of the Board Meetings are as under:

Date of Board Meeting	Board Strength	No. of Directors Present
May 9, 2013	08	06
August 5, 2013	08	07
October 31, 2013	07	07
January 30, 2014	07	06

3. BOARD COMMITTEES

I. Audit Committee:

i) Composition: The Audit Committee of the Board comprises of three Independent Directors namely Mr. N. Balasubramanian, Mr. Vinod Agarwala, Mr. Vijay Vij and one Non–Executive / Non–Independent Director Mr. Charudatta Naik. All the Members of the Audit Committee possess financial / accounting expertise / exposure. The composition of the Audit Committee meets the requirements of Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956. Mr. N. Balasubramanian is the Chairman of the Committee.

Mr. Nitesh Mhatre is the Secretary to the Audit Committee.

ii) Terms of Reference: The terms of reference of the Audit Committee as on March 31, 2014 are as under:

1. Oversight / Review of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

2. Recommending to the Board, the appointment, re–appointment and, if required, the replacement or removal of the statutory auditors including cost auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors including cost auditor for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.

e. Compliance with listing and other legal requirements relating to financial statements.

f. Disclosure of any related party transactions.

g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory auditors including cost auditor and internal auditors and adequacy of the internal control systems.

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9. Discussion with internal auditors any significant findings and follow up there on.

10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

11. Discussion with statutory auditors including cost auditor before the audit commences, about the nature and scope of audit as well as post–audit discussion to ascertain any area of concern.

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

14. To review on quarterly / annual basis the uses / applications of funds raised through an issue (public issue, rights issue, preferential issue, etc.), and make appropriate recommendations to the Board.

15. Approval of appointment of CFO (i.e., the whole–time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

16. To review the CEO / CFO certificates.

17. To carry out any other function as required by the Listing Agreement of the stock exchanges, Companies Act and other regulations.

18. To review the following information:

a) the management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

c) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;

d) Internal audit reports relating to internal control weaknesses; and

e) The appointment, removal and terms of remuneration of Chief Internal Auditor.

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

iv) The previous Annual General Meeting of the Company was held on September 17, 2013 and was attended by Mr. Vijay Vij and Mr. Charudatta Naik, members of the committee in the absence of Mr. N. Balasubramanian, Chairman of the Audit Committee, who could not attend due to health problem.

v) Number of Audit Committee Meetings held and the dates on which held

The Audit Committee met four (4) times during the year under review on May 09, 2013, August 5, 2013, October 31, 2013 and January 30, 2014. The details of attendance of each Member at the Audit Committee meetings held during the year are as under:

Name of the Committee Member	Category	No. of meetings during the year 2013–14	
		Held	Attended
Mr. N. Balasubramanian, Chairman	Independent Director	4	3
Mr. Vinod Agarwala	Independent Director	4	3
Mr. Vijay Vij	Independent Director	4	4
Mr. Charudatta Naik	Non–Independent, Non Executive Director	4	4

The necessary quorum was present for all the meetings.

II) Nomination & Remuneration Committee:

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

Mr. Nitesh Mhatre is the Secretary to the Nomination & Remuneration Committee.

b. **Terms of Reference:** The terms of reference of the Nomination & Remuneration Committee as on March 31, 2014 are as under:

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

c. **Number of Nomination & Remuneration Committee Meetings held and the dates on which held:**

The Nomination & Remuneration Committee met two (2) times during the year under review on May 9, 2013 and September 19, 2013. The details of attendance of each Member at the Nomination & Remuneration Committee meetings held during the year are as under:

Name of the Committee Member	Category	No. of meetings during the year 2013–2014	
		Held	Attended
Mr. Vijay Vij, Chairman	Independent Director	2	2
Mr. N. Balasubramanian,	Independent Director	2	1
Mr. Charudatta Naik	Non– Independent, Non Executive Director	2	2

The necessary quorum was present for all the meetings.

d. **Remuneration Policy:** The Company's Remuneration Policy provides for the following:

i. **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.

ii. **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).

e. **Details of the Remuneration for the year ended March 31, 2014:**

i. **Executive Directors**

Name of the Director and period of appointment	Salary (₹ Lakh)	Benefits Perquisites and Allowances (₹ Lakh)	Leave Encashment & Company's Contribution to PF (₹ Lakh)	Performance Linked Incentive (₹ Lakh)	Stock Options Held
Mr. Milind Naik (w.e.f. July 21, 2011 for a period of 3 years)	20.09	27.20	*2.41	0	Nil

* This figure does not include Gratuity payable as per the rules of the Company and leave encashment at the end of the tenure.

The Contract between the Company and the Whole–time Director may be terminated by either party by giving the other party three (3) months' notice or terminated by the Company by paying three (3) months' salary in lieu thereof to Whole–time Director. There is no separate provision of payment of severance fees.

ii. **Non–Executive Directors**

Name of Director	Sitting Fees (₹ in Lakh)
Mr. Manoj Tirodkar	1.35
Mr. N. Balasubramanian	0.9
Dr. Anand Patkar	0.675
Mr. Charudatta Naik	1.05
Mr. Vinod Agarwala	0.675
Mr. Vijay Vij	1.05
Mr. Satya Pal Talwar	Nil

Note:

- As approved by the Shareholders in the Annual General Meeting held on September 17, 2013, the Company has cancelled 13,465,454 options which were in force and closed the GTL Infrastructure Limited – Employee Stock Option Scheme 2005 (ESOS 2005)
- Apart from above, the Company does not have any other pecuniary relationship or transaction with the Directors.
- Details of shares of the Company held by the Directors as on March 31, 2014 are as under:

Name of Director	Number of Shares
Mr. Manoj Tirodkar	5,897,783
Mr. N. Balasubramanian	500,000
Mr. Milind Naik	19,000
Dr. Anand Patkar	100,000
Mr. Charudatta Naik	1,325,900
Mr. Vinod Agarwala	459,000
Mr. Vijay Vij	63,500

III) **Stakeholders Relationship Committee (formerly known as Shareholders'/ Investors' Grievance Committee):**

The Company has a Stakeholders Relationship Committee of Directors to look in to the redressal of complaints of investors such as transfer or credit of shares, non–receipt of dividend / notices / annual reports etc.

a. **Composition:** The Stakeholders Relationship Committee of the Board comprises two independent directors' namely Dr. Anand Patkar, Mr. Vinod Agarwala and one non–executive / non–independent director, Mr. Manoj Tirodkar. Dr. Anand Patkar is the Chairman of the Committee.

Mr. Nitesh Mhatre is the Secretary to the Stakeholders Relationship Committee.

b. **Terms of Reference:** The terms of reference of the Stakeholders Relationship Committee as on March 31, 2014 are as under:

1. Look into the redressal of Shareholders' and Investors' complaints / grievances like transfer of shares, non receipt of Balance Sheet, non receipt of declared dividends, etc.;
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.

c. One meeting of the Stakeholders Relationship Committee was held once during the year i.e. on May 9, 2013.

d. The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given as under:

Name	Category	Number of Meetings during the year 2013–14	
		Held	Attended
Dr. Anand Patkar	Independent Director	1	1
Mr. Vinod Agarwala	Independent Director	1	0
Mr. Manoj Tirodkar	Non– Independent, Non–Executive Director	1	1

The necessary quorum was present for the meeting.

4. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The said Code of Conduct has been uploaded on the Company's website (www.gtlinfra.com) under the head 'Investors' –Corporate Governance– 'Code of Conduct'.

5. GENERAL BODY MEETINGS

i) **General Meetings:**

a) **Annual General Meetings:**

Financial Year	Date	Time	Venue
2010–11	December 27, 2011	10.30 a.m.	Vishnudas Bhave Natyagruh, Sector 16A, Vashi, Navi Mumbai – 400 703
2011–12	September 27, 2012	10.30 a.m.	Marathi Sahitya Mandir Sabhagruh, Sector 6, Vashi, Navi Mumbai 400 703
2012–13	September 17, 2013	01.30 p.m	Vishnudas Bhave Natyagruh, Sector 16A, Vashi, Navi Mumbai – 400 703

- At the Annual General Meeting of the Company held on December 27, 2011, the following Special Resolution was passed with requisite majority:
  1. Appointment of Mr. Milind Naik as a Whole–time Director of the Company for a period of three (3) years with effect from July 21, 2011.
- At the Annual General Meeting of the Company held on September 27, 2012, the following Special Resolutions were passed with requisite majority:
  1. Appointment of Statutory Auditors of the Company in terms of Section 224A of the Companies Act, 1956.

2. Approval for raising of funds by issue of equity / convertible instruments through various means including by way of issue of Foreign Currency Convertible Bonds (FCCBs) up to 200 Cr. equity shares in terms of Section 81(1A) of the Companies Act, 1956.
3. Approval for issue of new FCCBs in place of Outstanding FCCBs.
4. Alteration of Capital Clause of Articles of Association in terms of Section 31 of the Companies Act, 1956.

- At the Annual General Meeting of the Company held on September 17, 2013, the following Special Resolutions were passed with requisite majority:
  1. Appointment of Statutory Auditors of the Company in terms of Section 224A of the Companies Act, 1956.
  2. Cancellation of "GTL Infrastructure Limited – Employees Stock Option Scheme (ESOS Scheme 2005)

b) **Extraordinary General Meetings:**

No Extraordinary General Meeting of the Members was held during the year 2013–14.

ii) **Special / Ordinary Resolutions that were put through postal ballot last year, details of voting pattern:**

No Special / Ordinary Resolutions were passed through postal ballot during the year 2013–14.

iii) **Special / Ordinary Resolutions proposed to be conducted through postal ballot:**

The Company proposes to obtain shareholders approval through postal ballot for:

1. Special Resolution pursuant to Section 180(1)(a) read with Section 110 of the Companies Act, 2013 and Rule 22(16)(i) of the Companies (Management & Administration) Rules, 2014, empowering the Board of Directors of the Company for creation of such mortgages, charges and / or hypothecations for securing borrowings not exceeding ₹ 25,000 Cr. (Rupees Twenty Five Thousand Crore Only);
2. Special Resolution pursuant to Section 186(3) read with Section 110 of the Companies Act, 2013 and Rule 22(16) (j) of the Companies (Management & Administration) Rules, 2014, empowering the Board of Directors of the Company for giving loans or extending guarantee or providing security or acquiring securities of any other body corporate not exceeding ₹ 9,500 Cr. (Rupees Nine Thousand Five Hundred Crore Only), whether existing or new.

iv) **Procedure adopted for Postal Ballot:**

a. Postal Ballot Forms are being sent to all shareholders with draft resolution(s) and Explanatory Statement pursuant to Sections 110 and 102(1) of the Companies Act, 2013, for obtaining approval of the members.

b. The Company has appointed Mr. Chetan A. Joshi, a Company Secretary in whole–time practice, Thane, as Scrutinizer for conducting the Postal Ballot voting process.

c. Members are requested to carefully read the instructions in the Postal Ballot Form, record their assent or dissent therein and cast their vote either electronically or by sending the Postal Ballot Form duly completed, in original, in the self–addressed pre–paid envelope, so as to reach the addressee on or before the closing of working hours i.e. 6:00 p.m on Monday, September 22, 2014.

d. The Scrutinizer will scrutinize and submit his report to the Chairman / Whole–time Director after ascertaining votes through e–voting and Postal Ballot forms and the results of the Postal Ballot will be announced by the Chairman / Whole–time Director on Thursday, September 25, 2014.

6. DISCLOSURES

a) The necessary disclosures in respect to transactions with related parties are given in the notes to the Accounts. None of these transactions have potential conflict with the interest of the Company at large.

b) Details of non–compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years 2011–12, 2012–13 and 2013–14 respectively: NIL

c) The Company does not have any whistle blower policy. However, no personnel have been denied access to the senior management.

d) The Company has fulfilled the following non–mandatory requirements as prescribed in Annexure I–D to the Clause 49 of the Listing Agreement with the stock exchanges:

i) 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.

ii) The Company has constituted a Nomination and Remuneration Committee and the full details of the same are available elsewhere in this Annual Report.

iii) The Company is publishing quarterly un–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 sending the same separately to the households of the shareholders.

iv) Training of Board Members: All new Directors inducted in to the Board are provided with policy dossier containing policies and procedures followed by the Company. Detailed presentation is made to the members of the Board / Committees by executive directors and senior management personnel providing insight of business strategy, business model, clientele, business prospects, nature of transaction etc. This provides a good opportunity for the Directors to understand the Company's business model and strategy.

v) Mechanism for evaluating non–executive Board Members: Broad guidelines are given in the policy dossier on the functioning of the Board of Directors.

e) Details of Compliance with mandatory and adoption of the non–mandatory requirements:

Pursuant to sub–section VII (2) of Clause 49 of the Listing Agreement, the Company confirms that it has complied with all mandatory requirements prescribed in Clause 49 of the Listing Agreement for the financial year 2013–14. The Company has obtained a certificate from Joint Auditors Certifying its compliance with the provisions of Clause 49 of the Listing Agreement. This certificate is annexed to the Corporate Governance Report.

Pursuant to sub–section V of Clause 49 of the Listing Agreement, the Whole–time Director & Co–COO and Chief Financial Officer have issued a certificate to the Board for the year ended March 31, 2014.

7. MEANS OF COMMUNICATION

- **Quarterly Results:** The Company's quarterly financial statements are generally published in the Free Press Journal (English language) and in Mumbai Navshakti (Local language). The financial statements are also displayed on the website of the Company
- **Website where displayed:** http://www.gtlinfra.com
- **Official news releases and presentations:** The Company displays official news releases, presentations made to institutional investors or to the analysts and other coverage in the above website

8. GENERAL SHAREHOLDER INFORMATION

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74210MH2004PLC144367.

i.	AGM: Date, time and venue:	Tuesday, September 16, 2014, 2:00 p.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400 703.
ii.	Financial Calendar	
	For Financial Year 2014–15:	
	First Quarter Results: Quarter ended June 30, 2014	Within 45 days of the end of the Quarter
	Second Quarter Results: Quarter ended September 30, 2014	Within 45 days of the end of the Quarter
	Third Quarter Results: Quarter ended December 31, 2014	Within 45 days of the end of the Quarter
	Fourth Quarter and Audited Annual Results: Quarter / Year ended March 31, 2015	Within 60 days from the end of the Quarter / Year
iii.	Dates of book closure	Friday, September 12, 2014.
iv.	Dividend Payment	No dividend has been recommended.
v.	Listing on Stock exchanges	• Equity shares are listed at BSE Limited (BSE) and National Stock Exchage of India Limited (NSE). • Foreign Currency Convertible Bonds (FCCB) issued by the Company are listed at Singapore Exchange Securities Trading Limited.
vi.	Listing Fees for 2014–15	BSE / NSE listing fees for the financial year 2014–2015 has been paid.

vii.	Stock Exchange Codes:	
	• BSE – Equity Shares	532775
	• NSE– Equity Shares	GTLINFRA
	• Reuters Code	GTLI.BO & GTLI.NS
	• Bloomberg ticker	GTLI:IN
	• Equity ISIN	INE221H01019
	• Singapore Exchange Securities Trading Limited	FCCB Series 'A' XS0854042537 FCCB Series 'B' XS0854044822

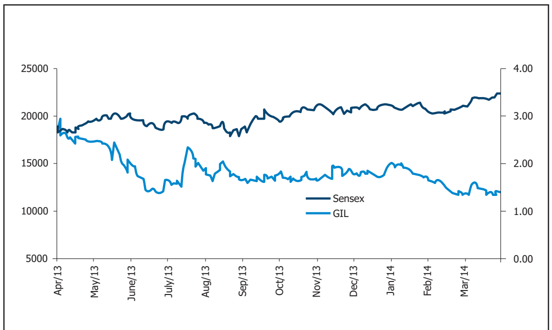
viii. Market Price Data

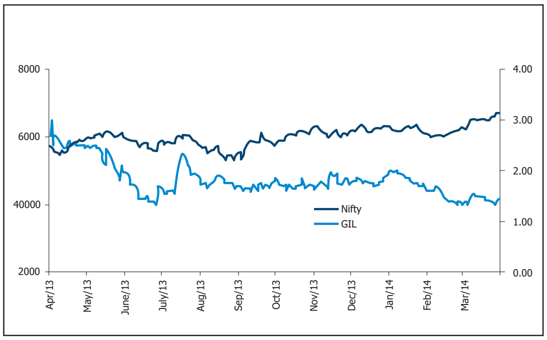
Monthly high and low of closing quotations and volume of shares on BSE and NSE are given below:

Month	NSE			BSE		
	High(₹)	Low(₹)	Volume(Nos.)	High(₹)	Low(₹)	Volume(Nos.)
Apr–2013	3.00	2.45	27,640,233	2.95	2.43	51,638,500
May–2013	2.50	1.80	28,654,571	2.49	1.80	84,955,875
Jun–2013	1.95	1.35	31,009,411	1.93	1.38	16,150,886
Jul–2013	2.35	1.55	74,494,069	2.37	1.51	37,524,268
Aug–2013	1.90	1.65	12,363,188	2.04	1.63	16,482,884
Sep–2013	1.80	1.60	18,529,269	1.80	1.60	11,507,916
Oct–2013	1.85	1.60	37,727,998	1.84	1.61	23,415,866
Nov–2013	1.95	1.65	23,085,789	1.97	1.65	12,626,143
Dec–2013	1.95	1.70	5,338,252	2.00	1.71	10,633,475
Jan–2014	2.00	1.60	8,926,492	2.03	1.62	8,218,310
Feb–2014	1.70	1.35	7,141,397	1.67	1.36	8,570,611
Mar–2014	1.55	1.35	10,214,846	1.63	1.35	11,155,140

Average daily traded volumes: The average daily traded volume in the Company's shares on BSE and NSE was 1,166,852 and 1,135,958 shares respectively, in the year ended March 31, 2014 as against 1,185,429 and 1,651,142 shares respectively in the previous financial year.

ix. GTL Infra's performance in comparison to broad based indices





x. Registrar and Share Transfer Agents

GTL Limited (Investor Services Centre), 'Global Vision', Electronic Sadan II, MIDC, TTC Industrial Area, 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

As majority of shares of the Company are held in electronic (demat) form, requests for transfer of shares in physical form are negligible. However, majority of share transfer requests are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfers / transmission etc. of securities to the Allotment & Transfer Committee of the Board of Directors of the Company, which meets regularly to approve the share transfer and other related work. A summary of transfer

/ transmission etc. of securities of the Company so approved by the said committee is placed quarterly at the Board Meetings. The Company obtains from a Company Secretary in Whole–time Practice half–yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with the stock exchanges and files a copy of the certificate with the stock exchanges.

The total number of physical shares transferred during the year under review were 816 (Previous year 1,863).

xii. Distribution of Shareholding as on March 31, 2014

a. Distribution of Shares according to the size of holding

No. of Shares	No. of Shareholders	% of Shareholders	Share amount (₹)	% to Total
Upto 500	140,782	74.15	239,828,300	1.04
501 – 1000	20,548	10.82	174,695,720	0.76
1001 – 2000	11,677	6.15	183,674,750	0.80
2001 – 3000	4,705	2.48	122,447,630	0.53
3001 – 4000	2,147	1.13	78,337,540	0.34
4001 – 5000	2,501	1.32	120,410,110	0.52
5001 – 10000	3,809	2.01	294,288,750	1.27
10001 & ABOVE	3,695	1.94	21,854,314,740	94.74
TOTAL	**189,864**	**100.00**	**23,067,997,540**	**100.00**

b. Distribution of shares by categories of shareholders

Category	No. of Shares Held	Voting Strength
Promoters & Promoter Group	628,826,075	27.26%
Bodies Corporate (Domestic) / Trust/ Clearing Members	61,608,519	2.67%
Banks	857,313,956	37.17%
Mutual Funds	32,850	0.00%
Financial Institutions (FIs)	30,094,886	1.30%
Foreign Institutional Investors (FIIs)	313,038,706	13.57%
Non–Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign Banks	164,126,993	7.12%
Resident Individuals	251,757,769	10.91%
TOTAL	**2,306,799,754**	**100.00%**

c. Top 10 Shareholders

Name(s) of Shareholders	Category	Shares	%
GTL Limited (Promoter)	Domestic Company	345,763,466	14.99
Global Holding Corporation Private Limited (Promoter Group)	Domestic Company	283,062,609	12.27
ELM Park Fund Limited	Foreign Institutional Investors (FIIs)	179,971,057	7.80
Indian Overseas Bank	Banks	161,976,510	7.02
Union Bank Of India	Banks	121,034,706	5.25
Bank of Baroda	Banks	89,807,214	3.89
Hypnos Fund Limited	Foreign Institutional Investors (FIIs)	84,014,773	3.64
Bank of India	Banks	78,160,268	3.39
Central Bank of India	Banks	61,250,806	2.66
Andhra Bank	Banks	56,935,410	2.47

xiii.	**Dematerialization of shares and liquidity**
	Trading in equity shares of the Company on the stock exchanges is permitted only in dematerialized form as per notification issued by the SEBI. The Shares of the Company are available for trading under the depository systems in India – NSDL & CDSL. 99.98% of the Company's shares are held in dematerialized form as on March 31, 2014. The Company's equity shares are among the actively traded shares on the BSE & NSE.
xiv.	**Outstanding Warrants or any Convertible instruments, conversion date and likely impact on equity**
	The details are furnished in the Directors' Report under the heading Share Capital.
xv.	**Plant Locations**
	The Company is in the business of providing Telecom Towers on a shared basis to multiple wireless telecom service providers. As of March 31, 2014, the Company owns Telecom Towers across all 22 telecom circles in India. List of Branch Offices and addresses are provided elsewhere in this Annual Report.
xvi.	**Address for correspondence**
	Registered Office GTL Infrastructure Limited, 3rd Floor, "Global Vision", Electronic Sadan No. II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400710, Maharashtra, India Tel: +91–22–27673500 Fax: +91–22–27673666
	Investor Correspondence All shareholders complaints / queries in respect of their shareholdings may be addressed to GTL Limited (Investor Service Centre), Electronic Sadan No. II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400710, Maharashtra, India.
	Investor Service Centre **Contact Person :** Mr. Jayendra Pai, AVP – Investor Services GTL Limited (Investor Service Centre) Tel.:+91–22–27612929 / 27673000 – Extn: 2232–35, Fax: +91–22–27680171 Email: gilshares@gtlinfra.com, Website: www.gtlinfra.com
xvii.	**Queries relating to financial statements, the Company's performance etc. may be addressed to Head – Investor Relations,** Mr. Rahul Desai – Group Head – Investor Relations & Capital Markets, GTL Infrastructure Limited, 412, Janmabhoomi Chambers, 29, W. H. Marg, Ballard Estate, Mumbai 400 038, Maharashtra, India. Tel : +91–22–22715000, Fax +91–22–22619649 Email : ir@gtlinfra.com

xviii. Investor Services – complaints, queries and correspondence

Particulars	Op. Bal. April 1, 2013	Received	Resolved	Cl. Bal. March 31, 2014
Complaints	0	9	9	0
Other Correspondence	0	50	50	0
Total	**0**	**59**	**59**	**0**

xix. Compliance Officer

Mr. Nitesh Mhatre, Joint Company Secretary is heading the Company Secretariat and is the Compliance Officer under the Listing Agreement with the Stock Exchanges.

xx. Equity shares in the Suspense Account

The Company has no cases as are referred to in Clause 5A (I) of the Listing Agreement with Stock Exchanges.

Members are requested to note that in compliance of Clause 5A(II) in the Listing Agreement with the Stock Exchanges, the Company has dematerialized all the unclaimed shares into "GTL Infrastructure Limited – Unclaimed Suspense Account" with one of the Depository Participant. The voting rights of those members shall remain frozen till the rightful owner claims the shares.

As stipulated under Clause 5A (II) of the Listing Agreement with Stock Exchanges, the Company reports the following details of equity shares lying in the suspense account.

Details of the unclaimed shares as on March 31, 2014, are as under:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2013	491	50,057
(ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	1	200
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	1	200
(iv)	Aggregate number of shareholders and the outstanding shares remaining unclaimed as on March 31, 2014	490	49,857

xxi. Statutory Compliance

During the year under review, to the best of our knowledge and belief, the Company has complied with all applicable provisions, filed all returns / forms and furnished all relevant particulars as required under the Companies Act, 1956, Companies Act, 2013 (Pertaining to Sections notified) and allied Acts and Rules, the Securities and Exchange Board of India (SEBI) Regulations and the Listing Agreements with the Stock Exchanges. The Company has voluntarily obtained a certificate of compliance from Mr. Chetan A. Joshi, a Company Secretary in whole–time practice, certifying compliance of the provisions of various applicable regulations and the same is reproduced elsewhere in this annual report.

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

Mr. Manoj G. Tirodkar, Chairman

Mr. Manoj Tirodkar is the Chairman of the Company. He is widely recognized for his efforts towards creating an efficient and environment friendly telecom industry. He has been championing the cause of shared telecom infrastructure model and green telecom. Under his leadership, Global Group of Companies have partnered with leaders in technologies like Qualcomm, Ericsson, Alcatel–Lucent, Nokia Siemens Networks, Huawei, ZTE etc. to offer Network services across the world. A firm believer in corporate social responsibility, Mr. Manoj Tirodkar supports a number of causes through Global Foundation. Mr. Tirodkar is the winner of CII Young Entrepreneurs Trophy 2001. He also has the honour of becoming the first Indian to win the World Young Business Achiever Award for 2000. Earlier he had won the Indian Young Business Achiever Award. Business Barons Taylors Nelson Sofres mode had ranked him 13th & 12th Best CEO of India for the year 2000 and 2001. He also received the Telecom Man of the Year Award in 1996.

He is a Chairman and Managing Director of the GTL Limited and Chairman and Non–Executive Director of Chennai Network Infrastructure Limited. He is member of Shareholder's / Investor Grievance & Share Transfer Committee of GTL Limited.

He is a member of Stakehodlers Relationship Committee and Allotment & Transfer Committee of the Company.

Mr. Tirodkar's shareholding in the Company is 5,897,783 equity shares.

Mr. Charudatta Naik, Director

Mr. Charudatta Naik is an engineering graduate in electronics & telecom. He has an experience of over 24 years in the telecom industry spanning across segments such as technical support, sales & marketing and business operations. He provides strategic guidance to Group Companies to enhance the Groups growth potential, globally. He is also on the advisory board of Global Foundation, the charitable arm of the Global Group. He has earlier worked with companies like Crompton Greaves and Unitel Communications.

He is a member of Audit Committee and Nomination & Remuneration Committee of the Company.

Mr. Naik's shareholding in the Company is 1,325,900 equity shares.

Mr. N. Balasubramanian, Vice Chairman, Independent Director

Mr. Balasubramanian has been a Member of the Board since October 8, 2007. Mr. Balasubramanian is Post Graduate in Science and a Post Graduate from IIM, Ahmedabad. He served Bank of Baroda in rural and semi–urban branches. His service as Banker includes 5 years term 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 holds Directorship in Bees' Capital Advisory Private Limited, JP Morgan Mutual Fund India Private Limited, Brickwork Ratings India Private Limited, Lambach Insurance Brokers Private Limited, Ma Foi Connecting Dots Advisory Private Limited, Varam Capital Private Limited.

He is Chairman of the Audit Committee, member of Nomination & Remuneration Committee and Allotment & Transfer Committee of the Company.

Mr. Balasubramanian's shareholding in the Company is 500,000 equity shares.

Dr. Anand Patkar, Independent Director

Dr. Patkar has been a Member of the Board since October 8, 2007. Dr. Patkar is a rank holder in Management Studies and has done Ph. D in Management. He 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 Proprietor of a firm Dr. A. Patkar Associates. He is also the author of the book "Master the Mind Monkey: Experience Your Excellence".

He is Chairman of the Stakeholders Relationship Committee of the Company.

Dr. Patkar's shareholding in the Company is 100,000 equity shares.

Mr. Vinod Agarwala, Independent Director

Mr. Agarwala has been a Member of the Board since July 20, 2009. Mr. Agarwala is Advocate & Solicitor, Mumbai. He is also Solicitor, Supreme Court of England & Wales and Advocate of Supreme Court of India. He practices in Mumbai for the last 35 years. Mr. Agarwala specializes in corporate laws, Securities laws, Project Finance, Property Law, FDI and Commercial Laws.

He is a Partner in Vigil Juris, Solicitors and Advocates, Mumbai. He holds Directorships in Supreme Infrastructure India Limited, Chennai Network Infrastructure Limited, Suditul Trading and Investment Company Private Limited, SBM Chemicals and Instruments Private Limited, V–Magnum Opus Strategic Solutions Private Limited. He is a Chairman of Remuneration Committee, Member of Audit Committee, Investor Grievance Committee of Supreme Infrastructure India Limited, He is a member of Remuneration Committee and Audit Committee of the Chennai Network Infrastructure Limited.

He is a member of Audit Committee and Stakeholders Relationship Committee of the Company.

Mr. Agarwala's shareholding in the Company is 4,59,000 equity shares.

Mr. Vijay Vij, Independent Director

Mr. Vij has been a Member of the Board since July 20, 2009. Mr. Vij is a Practicing Chartered Accountant and has an experience of 21 years in almost every facet of taxation, auditing and consulting profession. He is an ardent finance professional and his forte lies in direct taxation, valuations, financial modeling, business consultancy, system implementation, advising on M & A, SEZ/ STPI advisory etc. He has effectively handled business restructuring and start up ventures in competitive business environments. He has hands on experience in providing advice on tax efficient entry strategy for India, transfer pricing and tax treaty implications.

He also holds Directorship in GTL Limited and Chennai Network Infrastructure Limited. He is a Chairman of Audit Committee and Nomination & Remuneration Committee of GTL Limited, Member of Shareholders/ Investor's Grievance and Share Transfer Committee of the GTL Limited, Member of Audit Committee and Remuneration Committee of the Chennai Network Infrastructure Limited.

He is Chairman of Nomination & Remuneration Committee and a member of Audit Committee of the Company.

Mr. Vijay Vij's shareholding in the Company is 63,500 equity shares

Mr. Milind Naik, Whole time Director & Co–COO

Mr. Milind Naik has been appointed as Whole–time Director since July 21, 2011 he is also Co–Chief Operation Officer of the Company. Mr. Naik in the past worked with Syndicate Bank, Bank of India and Saraswat Co–op. Bank Ltd before joining Global Group in 1984. He has over 29 years of enormous experience within the country as well as abroad in the field of Accounts and Finance, Treasury Operations, Foreign Exchange, Banking and Financial Institutions, Short Term and Long Term Borrowings, Telecom Turnkey Project Implementation, Manufacturing of Steel Structures for Telecom, Transmission, Wind Energy, and, Infrastructure Industries, R & D and Manufacturing of Energy Management Solutions (EMS) for Telecom Operator's, EPC in EMS & Renewable Energy, Procurement & Logistics, Taxation and Administration.

He is a member of Allotment and Transfer Committee of the Company.

Mr. Naik's shareholding in the Company is 19,000 equity shares.

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, 2014, 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 as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement except the Chairman of the Audit Committee could not attend the Annual General Meeting for the reasons explained in the Corporate Governance Report.

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 **Chaturvedi & Shah**
Chartered Accountants
Firm Reg. No. – 101720W

R. Koria
Partner
Membership No. – 35629

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

S. S. Yeolekar
Partner
Membership No. 36398

Place : Mumbai
Date : May 21, 2014

DECLARATION OF WHOLE–TIME DIRECTOR

Pursuant to the provisions of Clause 49 of the Listing Agreement, it is hereby declared that all the Board Members and Senior Management Personnel of GTL Infrastructure Limited have affirmed compliance with the Code of Conduct for Directors and Senior Management for the Financial Year ended March 31, 2014.

Milind Naik
Whole–time Director

Place: Mumbai
Dated: May 21, 2014

CERTIFICATE OF PRACTISING COMPANY SECRETARY ON SECRETARIAL COMPLAINCE

To
The Board of Directors,
GTL Infrastructure Limited.

I 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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company ("the requirements") for the year ended March 31, 2014. Based on my examination as well as information and explanation furnished by the Company to me, I hereby report that:

1. The requisite statutory registers and other records required under the Act and the Rules made there under 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. 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;

5. 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;

6. The Company has complied with the provisions of Section 372A in respect of investments falling within the purview of said section;

7. 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;

8. 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.

9. The Company has not accepted any Fixed Deposits.

10. The Annual Returns and the Annual Reports have been filed within due date as required under 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 obtained necessary approvals of the Shareholders in their meeting held on September 17, 2013 for cancellation of unvested option & options pending for conversions and also for closure of the entire "GTL Infrastructure Limited – Employees Stock Option Scheme 2005 (ESOS 2005)". Accordingly, the Company closed its ESOS scheme w.e.f. September 17, 2013.

CHETAN A. JOSHI
Practising Company Secretary
ACS: 20829/CP:7744

Place : Thane
Date : May 21, 2014

To
The Members,

Your Directors are pleased to present their Eleventh Annual Report together with the Audited Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

(₹ in Crores)

Particulars	2013–14	2012–13
Total Income	**615.44**	570.92
PBDIT	**276.44**	283.53
Depreciation	**389.03**	486.43
PBIT	**(112.59)**	(202.90)
Interest and Finance Charges (Net)	**377.76**	350.53
Profit / (Loss) Before Exceptional Items & Tax	**(490.35)**	(553.43)
Exceptional Item	**60.00**	133.21
Profit/(loss) before tax	**(550.35)**	(686.64)
Provision for Taxation	**0.89**	–
Net Profit / (Loss)	**(551.24)**	(686.64)

Figures regrouped / reclassified wherever necessary to make them comparable.

Financial Performance

During the year, revenue of the Company was ₹ 615.44 Cr. against ₹ 570.92 Cr. for the previous year. Operating Profit (before Depreciation, Interest and Tax) was at ₹ 276.44 Cr. in comparison to previous year's Operating Profit (before Depreciation, Interest and Tax) of ₹ 283.53 Cr. Net Loss for the year was at ₹ 551.24 Cr. against Net Loss of ₹ 686.64 Cr. for the previous year.

2. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, on the Company's performance, industry trends and other material changes with respect to the Company is presented in a separate section forming part of this Annual Report.

3. DIVIDEND

The Company is in the business of providing telecom towers on a shared basis to multiple wireless telecom service providers and is a capital intesive in nature. In view of high depreciation, interest and in absence of distributable profits, your Directors express their inability to recommend any dividend on the paid up Equity Share Capital of the Company for the financial Year ended March 31, 2014.

4. BUSINESS OVERVIEW AND RECENT DEVELOPMENTS AT MACRO AND MICRO ECONOMIC LEVEL

The Indian telecom industry has been one of the fastest growing and most competitive in the world. The Indian call tariffs are still among the lowest in the world.

The telecom industry has shown marginal increase in subscriber base to 904.51 Mn. at the end of March 2014 against 861.66 Mn. at the end of February 2013, registering a growth of 4.97%, however, the growth is still below the subscriber base registered at 919.70 Mn. at the end of March 2012. The share of urban subscribers declined to 58.90% at the end of March 2014 from 60.50% in February 2013 vis–à–vis the share of rural subscribers which increased to 41.10% at the end of March 2014 from 39.50% in February 2013. With this, the overall tele–density in India has shown marginal improvement at 72.94 at the end of March 2014 vis–à–vis the overall tele–density of 70.42 in February 2013.

(*Source: Telecom Regulatory Authority of India, Press Release dated May 12, 2014*)

The Telecom industry continues to be under stress and had been dealing with several challenges on the financial, revenue and profitability fronts on one hand and Regulatory, Government and Judicial scrutiny on other hand. The various factors adversely impacting the telecom sector post CDR of the Company were discussed in detail in earlier reports and the same are enumerated hereunder:

a. Cancellation of 2G licenses upheld by the Hon'ble Supreme Court;
b. Slower 3G and BWA growth;
c. Failed spectrum auction;
d. Declining performance of Telecom Operators;
e. Freeze on fresh debt and equity;
f. Operators' defaults and penalties;

Further, the Company was expected to get increased / additional business arising out of its acquisition of telecom tower portfolio from Aircel Limited and its subsidiaries through Chennai Network Infrastructure Limited (CNIL) from FY 2010–11. However, owing to various factors stated above, the Company and CNIL could not garner the required 20,000 additional new tenancies on Right of First Refusal basis from Aircel. Due to this the Company faces several claims from its suppliers and Network operators.

With the stability in the Government at the Centre, it is expected to have positive effect on policy and investment climate. The telecom industry is poised for growth in the coming years.

Major developments in the Industry

The following are some of the major industry developments that are going to have an impact on the earnings and profitability of the sector:

1. **Clarity in regulatory policy**

   During the recent period, there have been several policy initiatives by the Government in the areas of spectrum auction, unified licensing, liberalization of the M&A norms etc as mentioned below.

2. **Spectrum:**

- All spectrums required for access services are being allotted through a transparent auction process. The recently concluded spectrum auction in February 2014 is testimony to this fact
- Incumbent telecom operators like Vodafone, Bharti Airtel and Idea Cellular displayed vigorous participation in the auction especially for Metros and Circle A cities where the Company has presence
- New operators namely Reliance Jio contested for 1800 MHz spectrum in 14 circles.
- A sum of ₹ 61,162 Cr. has been spent on this auction.
- The Government has taken a decision to allow spectrum sharing. Detailed guidelines are expected soon
- The government has indicated a roadmap on the spectrum availability as well

3. **FDI Policy:**

- Foreign Direct Investment (FDI) is allowed up to 49% under automatic route and equity infusion beyond 49% up to 100% is with the approval of Foreign Investment Promotion Board

4. **M&A norms**

- The new rules require the acquiring telco to pay market rates (to the Government) for spectrum above 4.4Mhz in the acquired telco,
- The market share of the combined entity not to exceed 50%

5. **Unified licensing**

- All future telecom licenses will be granted as Unified Licenses, which will allow the provision of all voice and data services
- All Unified Licenses to have the validity of 20 years

Salient features of spectrum auctions – February 2014

- Reserve Price was lower than the previous Auctions
- Total winning bids amounted to ₹ 61,162 Cr.
- 900 MHz auction saw competitive bidding. Delhi circle received bids of more than 200% of Reserve Price
- The quantum of spectrum available for 1800MHz band was higher
- Operators hedged against the upcoming 900 MHz Auction in 2015, by buying spectrum in 1800MHz
- 8 major operators participated in the auction
- Airtel, Vodafone, Idea and Reliance Jio acquired 95% of the auctioned spectrum

Given the successful auction of 900MHz and 1800 MHz, expected increase in adoption of 3G and 4G with exponential growth in data usage, introduction of national telecom policy, M&A policy approval and 100% foreign equity approval, 2014 onwards we hope to see growth and consequently stability in the telecom industry.

However, in our opinion, it would take a considerably prolonged time in improving the economic scenario *inter–alia* the telecom sector and in order to overcome the CDR scenario, the Company is contemplating bi–lateral / multi–lateral settlements, either one time, negotiated or otherwise, with the Lenders for which the Company may be required to initiate appropriate actions as elaborated in the proposals put forward before the shareholders for approval.

5. DEBT RESTRUCTURING

Further to information furnished in the Directors' Report for financial year 2012–13, after successful implementation of Corporate Debt Restructuring (CDR) mechanism for its Rupee Term Loans, as approved by CDR EG, the Company has complied and continues to comply with the terms and conditions of CDR package. The CDR Rupee Debt outstanding as on March 31, 2014 is ₹ 3,529.02 Cr., details of which are as follows:

Principal	–	₹ 3,256.57 Cr.
FITL	–	₹ 207.09 Cr.
Interest	–	₹ 65.36 Cr.

The Company has sizeable amount of overdue receivables from CNIL, an associate company but the same is yet to be released by CNIL's lenders. Your Company has been honouring its debt service obligation in time and is committed to honour its debt obligation in time but due to non–release of the funds from CNIL coupled with the effect of downturn in the economy in general and telecom sector in particular, there has been delay at times in debt servicing. The Company is also exploring opportunities to monetize its investment (held through Tower Trust) in CNIL, the proceeds of which will be utilized for meeting debt service obligations of the Company.

6. SCHEME OF ARRANGEMENT

Further to information furnished in the Directors' Report for financial year 2012–13, the Company continues to pursue the Scheme of Arrangement for the merger of CNIL with the Company by way of modification of Scheme of Arrangement to give effect to financial and capital structure changes consequent upon restructuring under CDR. The Company and CNIL proposes to seek approvals for modified Scheme of Arrangement from the Stakeholders, CDR EG, Lenders, the Hon'ble Courts and other regulatory / statutory authorities, as may be required. Once the modified Scheme of Arrangement between the Company and CNIL is approved, the Company's financial statements will be re–casted / re–stated with effect from the Appointed Date as may be approved.

7. SHARE CAPITAL:

a. **The movement of Equity Share Capital due to allotment of shares is as under:**

Particulars	No. of Equity Shares
Equity Share Capital as on April 1, 2013	2,306,799,754
Add: Allotment of Equity Shares to FCCB Holders upon conversion of FCCBs	1,855,418
Equity Share Capital as on May 21, 2014	**2,308,655,172**

b. **Foreign Currency Convertible Bonds (FCCBs)**

Further to information furnished in the Directors' Report for financial year 2012–13, during the year under review, as per terms and conditions of the Series B Bonds issued in terms of Offering Circular dated November 8, 2012, the Conversion Price of Series B Bonds i.e. US$ 207,546,000 Interest Bearing Convertible Bonds due 2017 convertible into share, have been reset to ₹ 11.38 as against ₹ 12.64. The Status of FCCBs allotted is as under:

Particulars	No. of Series A FCCBs (of US$ 1,000 each)	No. of Series B FCCBs (of US$ 1,000 each)	Total No. of FCCBs (of US$ 1,000 each)	No. of Equity Shares upon conversion
FCCBs allotted	111,740	207,546	319,286	–
Conversion / cancellation till date	59,660	14,013	73,673	399,368,323
Balance as on May 21, 2014	52,080	193,533	245,613	–

If all the balance 245,613 FCCBs are converted into equity shares, the total share capital would go up by 1,205,176,429 new equity shares.

c. **Consideration to CNIL shareholders for merger**

Consequent to the approval of CDR proposals of the Company and CNIL and further to the modifications to be made in the petitions by the Company and CNIL (subject to approval of CDR Lenders), the Company would be required to issue its equity shares to the shareholders of CNIL towards consideration on merger of CNIL with the Company as may be approved by Hon'ble High Courts of Bombay and Madras.

8. EMPLOYEE STOCK OPTION SCHEME (ESOS)

Further to the information furnished in the Directors' Report for financial year 2012–13, the Company has obtained necessary approvals of the members in their Annual General Meeting held on September 17, 2013 for cancellation of unvested options and options pending for conversion and also for closure of "GTL Infrastructure Limited – Employees Stock Option Scheme 2005 (ESOS 2005)". Accordingly, the Company has closed ESOS 2005 w.e.f. September 17, 2013. Hence the details as required under Securities Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are not furnished.

9. FIXED DEPOSITS

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

10. CORPORATE GOVERNANCE

The Company continues to comply with Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance along with the Certificate of the Joint Auditors, M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the stock exchanges is given elsewhere in this Report.

11. DIRECTORS

Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one–third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re–appointment at every Annual General Meeting. Consequently, Mr. Manoj Tirodkar and Mr. Charudatta Naik will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re–appointment in accordance with the provisions of the Companies Act, 2013.

Further as per Section 149(5) of the Companies Act, 2013, the Company is required to appoint Independent Directors under Section 149(4) within a period of one year from April 1, 2014 i.e. the date of commencement of the said Section and Rules made there under. Since the Company had already appointed Mr. N. Balasubramanian, Mr. Anand Patkar, Mr. Vinod Agarwala and Mr. Vijay Vij as Non–Executive Independent Directors subject to retirement by rotation in the past, in terms of clause 49 of the Listing Agreement, as per the recommendations of Nomination and Remuneration Committee the Board of Directors proposes to re–appoint all the aforesaid Directors as Non–Executive Independent Directors within the meaning of Section 149 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years from September 16, 2014 to September 15, 2019.

Brief resumes of the Directors being appointed / re–appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter–se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in the Corporate Governance Report forming part of the Annual Report.

Your Directors recommend their appointment / re–appointment at the ensuing Annual General Meeting.

12. PROMOTER GROUP

The Company is a part of Global Group of Companies which is promoted by GTL Limited (GTL). The members may note that the Promoter Group comprises of Global Holding Corporation Private Limited and such other persons as defined under SEBI Regulations.

Consequent to the settlement reached between GTL, CNIL and IFCI Limited (IFCI), IFCI has returned 175,536,793 equity shares of the Company to GTL, which were earlier appropriated by IFCI in July 2011. Resultantly, GTL's shareholding in the Company has been restored to 14.99% of the total paid–up capital of the Company. Hence Promoter Group's total shareholding in the Company stood at 27.26 % of the total paid–up capital of the Company.

13 DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 the Directors, to the best of their knowledge and belief, state, in respect of the year ended March 31, 2014, 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. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of financial year and of the loss of the Company for that period;

c. the Directors have taken proper and sufficient care 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 fraud and other irregularities; and

d. the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

14. AUDITORS & AUDITORS' REPORT

M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants, were appointed as Joint Auditors of the Company at the Tenth Annual General Meeting of the Company to hold office from the conclusion of the said meeting till the conclusion of the next Annual General Meeting. The Company has received the necessary written consents and certificates from the Joint Auditors respectively, pursuant to Section 139 and 141 the Companies Act, 2013, regarding their eligibility for re–appointment. Accordingly, in terms of Section 139 of the Companies Act, 2013, approval of the members to the appointment of M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants as Joint Auditors of the Company is being sought at the ensuing Annual General Meeting.

The Auditors' Report to the shareholders on the Accounts of the Company for the financial year ended March 31, 2014 does not contain any qualification or adverse remarks.

15. COST AUDITORS

Pursuant to directions issued by Government of India, Ministry of Corporate Affairs (MCA) for appointment of Cost Auditors, the Board of Directors has appointed Mr. Vikas V. Deodhar, a Cost Accountant as a Cost Auditor of the Company for the financial year ended March 31, 2014.

The relevant Cost Audit Report for financial year 2012–13 was duly filed with Ministry of Corporate Affairs on September 26, 2013.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rules there under as may be prescribed on the recommendations of Audit Committee, the Board of Directors has appointed Mr. Vikas V. Deodhar, Cost Accountant as the Cost Auditor for the financial year 2014–15.

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

The Company has continued to focus aggressively on reduction of diesel consumption at telecom tower sites through various initiatives of energy efficiency improvement and fuel savings. The Company has carried out trials and pilot installations of various energy saving and green energy solutions through deployment of Solar Photovoltaic (SPV), Lithium Ion batteries and aircon performance improvement solutions.

The details relating to conservation of energy and environmental improvement are given in the Annexure to this Report.

The Company is engaged in the business of providing Passive Infrastructure Services and has no manufacturing activities. During the year under review, the Company has not absorbed, adopted any technology and innovated any new technology. Hence, the details relating to Technology Absorption are not furnished.

In line with Department of Telecommunications (DoT) directives of Green Initiatives to Telecom Service Providers, the Company has worked out plan to outsource the supply of Renewable Energy through RESCO (Renewable Energy Service Companies) model in phase–wise manner.

Also, the Company is in advance stage of MoU for a project on energy management improvement project jointly with New Energy and Industrial Technology Development Organization of Japan (NEDO), (DoT) and Ministry of New and Renewable Energy (MNRE). The objectives of the project are to contribute to the efficient use of energy and the protection of the environment in India by installing PV Power Generation solution and advanced energy management system including energy storage solutions at the telecommunication towers in India and demonstrating the energy management system using diesel power generators and /or grid power. The initial surveys and identification of site are completed.

There were no actual inflow of Foreign Exchange during the year and the particulars regarding actual outflow of Foreign Exchange appear at item number 28 in Notes on Financial Statements to the Balance Sheet as at March 31, 2014 forming part of this Annual Report.

17. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, names and other particulars of the employees are required to be set out in an annexure to this Report. However, in terms of the 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 a copy of the same may write to the Joint Company Secretary at the Registered Office address. None of the employees listed in the said annexure are related to any Director of the Company.

18. SPECIAL BUSINESS

As regards the items of the Notice of the Annual General Meeting relating to Special Business, the Resolutions incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approval of members to those proposals. Members' attention is drawn to these items and Explanatory Statement annexed to the Notice.

19. GENERAL

Notes forming parts of the Accounts are self – explanatory.

20. ACKNOWLEDGEMENT

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

On behalf of the Board of Directors,

Mumbai
May 21, 2014

Manoj Tirodkar
Chairman

ANNEXURE TO DIRECTORS' REPORT

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	• Installation of Free Cooling / Emergency Free Cooling systems to utilize cool ambient temperatures for saving electrical energy consumption of air–conditioning systems • Installation of High Efficiency Rectifiers with wide input voltage range SMPS with minimum derating at lower input voltages • Deployment on Deep discharge batteries for better utilization of backup power and thereby reducing diesel consumption • Fuel optimizer feature of DG controller for optimum utilization of battery backup and air–conditioning system • Implemented Stage–wise capacity enhancement with upgradeability as and when site load increased • Deployment of DC type Diesel Generator of smaller capacity at pilot sites • Aircon efficiency improvement solutions for better heat transfer of refrigerant
b.	Additional Investments and proposals, if any, being implemented for reduction of consumption of energy	• Deployment of Integrated Power Management Units for AC power line conditioning and AC to DC conversion
		• Remote monitoring of site health parameters through NOC (Network Operations Centre)
		• Lithium Ion batteries for faster charging
		• Upgradation of DC power plants with compatible high efficiency rectifiers
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 energy costs up to 6 to 8% and reduction in Carbon foot–print. The Company is providing its Towers to the Telecom Operators on a sharing basis. Apart from this, the Company is also engaging the services of GTL Limited for reducing the cost of energy. Thus, these efforts would further help the Company to reduce the energy cost.

Form – B

(See rule 2)

Disclosure of particulars with respect to Technology absorption:

Research and Development (R&D)

1. **Specific areas in which R & D carried out by the Company:** The Company has focused on reduction of energy consumption at Telecom Tower Sites through several initiatives for deployment of Energy Efficient Solutions.

2. **Benefits derived as a result of the above R & D:** Through Energy Management Solutions carried out on pilot basis, the Company has generated valuable knowledge–base which will be essentially used for large scale deployment on Telecom Tower Sites. The Company has successfully installed SPV based Renewable Energy Solutions for reduction of fossil fuel consumption and for reduction of Green House Gases.

3. **Future plan of action:** The Company has strategic intent of improving energy efficiency at each Telecom Tower Site. This will ensure operational expenditure benefits to the Company's Customers.

4. **Expenditure on R & D:**

<table>
<tr><td>a.</td><td>Capital</td><td>:</td><td rowspan="4">No significant expenditures were incurred during the year.</td></tr>
<tr><td>b.</td><td>Recurring</td><td>:</td></tr>
<tr><td>c.</td><td>Total</td><td>:</td></tr>
<tr><td>d.</td><td>Total Expenditure as a percentage of Revenue</td><td>:</td></tr>
</table>

Technology absorption, adaptation and innovation:

<table>
<tr><td>1.</td><td>Efforts in brief made towards technology absorption, adaption and innovation</td><td>:</td><td rowspan="4">The Company has not absorbed, adopted and innovated any new technology. Hence, the details relating to technology absorption are not furnished.</td></tr>
<tr><td>2.</td><td>Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.</td><td>:</td></tr>
<tr><td>3.</td><td>In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished.</td><td>:</td></tr>
<tr><td></td><td>a. Technology imported
b. Year of import
c. Has technology been fully absorbed?
d. If not fully absorbed, the areas where this has not taken place, reasons thereof and future plans of action</td><td>:
:
:
:</td></tr>
</table>

For and on behalf of the Board of Directors

Manoj Tirodkar
Chairman

Mumbai
May 21, 2014

Independent Auditors' Report Mar'14

To
The Members of
GTL INFRASTRUCTURE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GTL INFRASTRUCTURE LIMITED ("the Company"), which comprises Balance sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles Generally Accepted in India (Indian GAAPs), including Accounting Standards referred to in sub–section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of corporate affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: –

i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

ii. in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

iii. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Emphasis of Matter

We draw attention to the:

a. Note No. 34 regarding Scheme of Arrangement under section 391 to 394 of the Act pending for the necessary modifications and approvals and preparation of financial statements without giving any effect of this scheme and to give the effect as and when the scheme becomes effective.

b. Note No. 35 regarding preparation of the financial statements of the Company on a going concern basis notwithstanding the fact that the Company has been incurring cash losses and its net worth has been substantially eroded as on the Balance Sheet date. These financial statements have been prepared on a going concern basis for the reasons stated in the said note. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise requisite finance/generate cash flows in future to meet its obligations.

c. Note No. 12.1 regarding capital advance given to certain vendors, in respect of which the Company is negotiating with them for the recovery of these advances. The management is confident of recovering substantial amount out of these advances and the provision for doubtful advances aggregating to ₹ 600,000,000 against same has been considered sufficient by them.

d. Note No. 11.3 regarding the book value of non–current investments being lower than their carrying value and non provision for diminution in value of these investments for the reasons mentioned therein.

e. Note No. 33 regarding outstanding trade receivables and other current assets, which are subject to confirmation but considered good for the reasons mentioned therein.

   Our opinion is not qualified in respect of these matters

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub–section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required under provisions of section 227(3) of the Act, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account

d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub–section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of corporate affairs in respect of section 133 of the Companies Act, 2013.

e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub–section (1) of section 274 of the Act.

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

R. KORIA
Partner
Membership No. – 35629

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

S. S. YEOLEKAR
Partner
Membership No. – 36398

Place: Mumbai
Date: May 21, 2014

Annexure to Auditors' Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of GTL Infrastructure Limited on the accounts for the year ended 31st March, 2014)

i. In respect of its fixed assets:

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

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

c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year which has an impact on the going concern status of the Company.

ii. In respect of its inventories:

a. As explained to us, inventories have been physically verified by the management at reasonable intervals.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. According to the information and explanations given to us and on the basis of our examination of inventory records, we are of the opinion that the Company is maintaining proper records of inventory. As explained to us, discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company, and the same have been properly dealt with.

iii. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Act:

a. The Company has given advances in the nature of loan to a party in respect of which maximum amount involved during the year was ₹ 3,391,395,602 and the year–end balance was ₹ 2,265,493,079.

b. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.

c. As per the information and explanations given to us, the above advances are repayable on demand.

d. As the loans are repayable on demand, the question of overdue amounts does not arise.

e. The Company has not taken loans from any such parties hence provisions of sub clause (e) to (g) are not applicable to the Company for the year under audit.

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 inventory, fixed assets and also for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b. Based on information and explanation given to us, in our opinion, the transactions made in pursuance of the contracts or arrangements, entered in the register maintained under section 301 of the Companies Act, 1956, and aggregating during the year to ₹ 5 lacs or more in respect of each party, have been made at prices, which are reasonable. The Company has not entered into transactions of similar nature with any other party.

vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under are not applicable for the year under audit.

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

viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Government of India under section 209(1) (d) of the Act and are of the opinion that prima facie the prescribed records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable except for Gram Panchayat and Municipal Taxes aggregating to ₹ 35,025,705.

b. The disputed statutory dues aggregating to ₹ 1,455,004,166 that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (in ₹) (*)	Forum where dispute is pending
Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax/Trade Tax/VAT and Entry Tax	2008–09	9,128,394	High Court
		2006–07, 2009–10 & 2010–11	981,928	Sales Tax Tribunal
		2009–10	12,229,970	Appellate Commissioner, Sales Tax (Appeal)
		2007–08 to 2010–11	11,284,961	Deputy Commissioner (Appeals)
		2007–08 & 2009–10	2,733,283	Additional Commissioner (Appeals)
		2008–09 to 2010–11	2,170,358	Joint Commissioner (Appeal)
		2009–10 to 2010–11	14,355,055	Sr. Joint Commissioner Sales Tax
Central Excise Act,1944	Service Tax	2006–07 to 2011–12	1,402,120,217	Commissioner (Appeals) Service Tax
Total			**1,455,004,166**	

(*) Net of amount deposited under protest as mentioned in Note No. 30 to the financial statements.

x. *The Company has accumulated losses at the end of the financial year, which is more than fifty percent of its net worth. The Company has incurred cash losses during the year covered by the audit and in the immediately preceding financial year.*

xi. Based on our audit procedures, information and explanations given by the management, and considering the Corporate Debt Restructuring (CDR) scheme and other restructuring schemes with foreign lender and FCCB holders, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or bond holders except for overdue amount of interest aggregating to ₹ 653,625,908 due to banks and financial institutions.

xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures & other investments. The Company has maintained proper records of transactions and contracts in respect of investments in shares and Mutual funds and timely entries have been made therein. All the investments in shares and mutual funds have been held by the Company in its own name.

xv. The Company has given corporate guarantee aggregating to ₹ 8,310,000,000 for loans taken by Chennai Network Infrastructure Limited (CNIL), an Associate/erstwhile subsidiary of the Company, from banks and financial institutions as at 31st March, 2014. CNIL is in the process of the amalgamation with the Company as mentioned in Note

No. 34 to the financial statements. The management is of the opinion that since these guarantees were given when CNIL was the subsidiary of the Company and CNIL is getting merged with the Company, the terms and conditions of the Corporate Guarantee are not prejudicial to the interest of the Company. We are, however, unable to comment on the same.

xvi. The Company has not raised any new term loans during the year under audit. To the best of our knowledge and according to the information and explanations given to us the term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.

xvii. On the basis of review of utilization of funds, which is based on overall examination of the Balance Sheet of the Company as at March 31, 2014, related information as made available to us and as represented to us, by the management, we are of the opinion, that funds raised on short term basis have not prima facie been utilized for long term purposes.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

xix. During the year, the Company has not issued any debenture and hence clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

xx. During the year covered by our report the Company has not raised any money by public issue.

xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the course of our audit.

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

R. KORIA
Partner
Membership No. – 35629

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

S. S. YEOLEKAR
Partner
Membership No. – 36398

Place: Mumbai
Date: May 21, 2014

Balance Sheet as at March 31, 2014

(Amount in ₹)

	Notes	As at March 31, 2014		As at March 31, 2013	
Equity and Liabilities					
Shareholder's Funds					
Share Capital	2	**23,067,997,540**		23,067,997,540	
Reserves and Surplus	3	**(13,201,763,774)**		(6,631,753,118)	
			9,866,233,766		16,436,244,422
Non–Current Liabilities					
Long–Term Borrowings	4	**49,167,299,847**		48,806,199,666	
Other Long–Term Liabilities	5	**3,056,835,351**		2,617,804,634	
Other Long–Term Provisions	6	**8,769,273**		8,925,913	
			52,232,904,471		51,432,930,213
Current Liabilities					
Trade Payables	7	**528,075,212**		404,234,416	
Other Current Liabilities	8	**3,533,038,719**		1,621,546,784	
Short–Term Provisions	9	**589,813**		376,912	
			4,061,703,744		2,026,158,112
		Total	**66,160,841,981**		69,895,332,747
Assets					
Non–Current Assets					
Fixed Assets	10				
Tangible Assets		**35,415,885,468**		37,992,469,999	
Intangible Assets		**10,215,823**		550,979	
Capital Work–in–Progress		**893,833,527**		2,164,710,044	
		36,319,934,818		40,157,731,022	
Non–Current Investments	11	**18,494,777,122**		18,489,724,000	
Long–Term Loans and Advances	12	**4,433,231,033**		4,817,945,108	
			59,247,942,973		63,465,400,130
Current Assets					
Current Investments	13	**228,965,782**		435,352,494	
Inventories	14	**6,310,265**		11,679,166	
Trade Receivables	15	**660,129,672**		566,825,708	
Cash and Bank Balances	16	**499,743,348**		303,594,935	
Short–Term Loans and Advances	17	**3,908,411,554**		3,758,090,416	
Other Current Assets	18	**1,609,338,387**		1,354,389,898	
			6,912,899,008		6,429,932,617
		Total	**66,160,841,981**		69,895,332,747
Significant Accounting Policies	**1**				
Notes on Financial Statements	**2 to 43**				

As per our report of even date

For and on behalf of the board of Directors

For **CHATURVEDI & SHAH**
Chartered Accountants

R. KORIA
Partner

For **YEOLEKAR & ASSOCIATES**
Chartered Accountants

S. S. YEOLEKAR
Partner

MANOJ TIRODKAR
Chairman

VIJAY VIJ
Director

MILIND NAIK
Whole–time Director

L. Y. DESAI
Chief Financial Officer

NITESH MHATRE
Joint Company Secretary

Place : Mumbai
Date : May 21, 2014

Statement of Profit and Loss for the year ended March 31, 2014

(Amount in ₹)

	Notes	For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
INCOME :			
Gross Revenue from Operations	19	6,492,622,982	6,346,538,684
Less: Service Tax Recovered		705,362,142	682,676,555
Net Revenue from Operations		5,787,260,840	5,663,862,129
Other Income	20	367,139,346	45,319,771
Total Revenue		6,154,400,186	5,709,181,900
EXPENSES :			
Infrastructure Operation & Maintenace Cost (Net)	21	2,242,699,178	1,971,093,792
Employee Benefits Expense	22	189,734,626	185,269,888
Other Expenses	23	957,547,195	717,513,412
Total		3,389,980,999	2,873,877,092
Profit before Finance Costs, Depreciation/Amortisation and Tax		2,764,419,187	2,835,304,808
Finance Costs	24	3,777,629,846	3,505,327,998
Depreciation, Amortisation and Impairment	25	3,890,319,799	4,864,263,644
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX		(4,903,530,458)	(5,534,286,834)
Exceptional Item	12.1	600,000,000	1,332,100,863
LOSS BEFORE TAX		(5,503,530,458)	(6,866,387,697)
Tax Expenses – Income Tax for earlier years	26	8,870,435	–
Extra Ordinary Items		–	–
LOSS FOR THE YEAR		(5,512,400,893)	(6,866,387,697)
Earnings Per Equity Share of ₹10 each Basic and Diluted	29	(2.39)	(3.55)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 43		

As per our report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

R. KORIA
Partner

For **YEOLEKAR & ASSOCIATES**
Chartered Accountants

S. S. YEOLEKAR
Partner

For and on behalf of the board of Directors

MANOJ TIRODKAR
Chairman

MILIND NAIK
Whole–time Director

VIJAY VIJ
Director

L. Y. DESAI
Chief Financial Officer

NITESH MHATRE
Joint Company Secretary

Place : Mumbai
Date : May 21, 2014

Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

	PARTICULARS	For the year ended March 31, 2014	For the year ended March 31, 2013
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax as per Statement of Profit and Loss	**(5,503,530,458)**	(6,866,387,697)
	ADJUSTED FOR		
	Depreciation and amortization expenses	**3,890,319,799**	4,864,263,644
	Loss on sale of fixed asset	**96,501,949**	196,795,277
	Interest Income	**(268,382,839)**	(7,831,925)
	Finance Costs	**3,777,629,846**	3,505,327,998
	Employee Stock Option Cost	**–**	3,152,818
	Foreign Exchange (Gain)/Loss (Net) –	**297,158,759**	6,433,637
	Profit on sale of Investments	**(37,859,762)**	(35,213,465)
	Exceptional Items	**600,000,000**	1,332,100,863
	Bad Debts (net)	**3,141,792**	20,537,175
	Provision for Doubtful Debts/Advances	**255,185,342**	195,201,702
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	**3,110,164,428**	3,214,380,027
	ADJUSTMENTS FOR		
	Trade and Other Receivables	**(715,264,483)**	(787,682,570)
	Inventories	**5,368,901**	(17,880)
	Trade Payables & other liabilities	**977,718,610**	(493,798,929)
	CASH GENERATED FROM OPERATIONS	**3,377,987,457**	1,932,880,648
	Direct taxes (paid) / Refund Received (Net)	**(154,920,991)**	(239,439,468)
	NET CASH FLOW FROM OPERATING ACTIVITIES	**3,223,066,465**	1,693,441,180
B.	**CASH FLOW FROM INVESTING ACTIVITES**		
	Purchase of Fixed Assets, Capital Work–in–Progress and Capital Advances	**(535,751,919)**	(1,442,701,086)
	Sale of fixed assets	**205,213,118**	111,772,426
	Investment in corpus	**(2,700,000)**	–
	Advance to associate (net)	**518,891,859**	281,364,692
	Purchase of Investments	**(30,645,390,964)**	(19,543,844,235)
	Sale of Current Investments	**30,889,637,438**	19,178,705,207
	Interest Income	**3,761,697**	24,566,884
	NET CASH FLOW/USED FROM/(IN) INVESTING ACTIVITIES	**433,661,229**	(1,390,136,112)

Cash Flow Statement for the year ended March 31, 2014

(Amount in ₹)

PARTICULARS	For the year ended March 31, 2014	For the year ended March 31, 2013
C. CASH FLOW FROM FINANCING ACTIIVITIES		
Proceeds from issue of Equity Shares	–	449,100,000
Refund of CCD Application Money	–	(290)
FCCB Issue Expenses	–	(137,993,398)
Repayment of Long Term Borrowings	**(524,502,169)**	(23,230,426)
Interest and Finance charges Paid	**(2,936,077,112)**	(773,524,837)
Fixed Deposits with Banks pledged as Margin Money, Debt Service Reserve Account and others	**(1,314,676)**	226,863,784
NET CASH USED IN FINANCING ACTIVITIES	**(3,461,893,957)**	(258,785,167)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**194,833,737**	44,519,901
Cash and Cash Equivalents (Opening Balance)	**285,775,058**	241,255,157
Cash and Cash Equivalents (Closing Balance)	**480,608,795**	285,775,058

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard – 3 "Cash Flow Statements".

(ii) Figures in bracket indicate Outflows.

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

As per our report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

R. KORIA
Partner

For **YEOLEKAR & ASSOCIATES**
Chartered Accountants

S. S. YEOLEKAR
Partner

For and on behalf of the board of Directors

MANOJ TIRODKAR
Chairman

MILIND NAIK
Whole–time Director

VIJAY VIJ
Director

L. Y. DESAI
Chief Financial Officer

NITESH MHATRE
Joint Company Secretary

Place : Mumbai
Date : May 21, 2014

Notes on the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Preparation of Financial Statements:

The Accounts have been prepared on a going concern basis under historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 1956.

ii. Use of Estimate:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognised in the year in which the results are known / materialised.

iii. Revenue Recognition:

a. Revenue from Infrastructure / Equipment provisioning is recognised in accordance with the Contract / Agreement entered into. Revenues are recognised when it is earned and no significant uncertainty exists as to its ultimate collection and includes service tax, wherever applicable.

b. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established.

iv. Fixed Assets:

a. Fixed Assets are stated at cost net of eligible Cenvat and VAT less accumulated depreciation, amortisation and impairment loss, if any. All costs, including borrowing costs up to the date asset is ready to use and exchange difference on Long Term Foreign Currency Monetary Items related to fixed assets are capitalised.

b. The Fixed Assets at the cellular sites, which are ready to use during a particular month are capitalised on the the last day of that month.

c. Expenses incurred relating to project, prior to commencement of commercial operation, are considered as pre operative expenditure and shown under Capital Work In Progress.

v. Depreciation:

a. Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except in respect of certain Fixed Assets where the higher rates are applicable considering the estimated useful life as mentioned below and Towers:

Sr.	Asset	Years
i.	Shelters / DG Sets	20
ii.	Network Operation Assets	4 to 10
iii.	Air Conditioners	9
iv.	Electrical & Power Supply Equipments	6 to 9
v.	Computers	3
vi.	Office Equipments	3 to 5
vii.	Furniture & Fittings	5
viii.	Vehicle	5

b. The towers have been depreciated on straight line method at the rate of 2.72% per annum in terms of specific approval received from the Ministry of Corporate Affairs, Government of India vide Order no.45/2/2010–CL–III dated May 26, 2010 issued under Section 205(2)(d) of the Companies Act, 1956.

c. The leasehold improvements have been depreciated over lease period.

d. In respect of additions forming an integral part of existing assets and exchange difference capitalised, depreciation has been provided over residual life of the respective fixed assets.

Notes on the Financial Statements

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

f. 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.

g. The revised carrying amount of the assets identified as impaired have been depreciated over residual life of the respective assets.

vi. Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Software which is not an integral part of the related hardware is classified as an Intangible Asset and is amortised over three years.

vii. Impairment of Assets:

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there is a change in the estimate of recoverable amount.

viii. Investments:

Current Investments are carried at the lower of cost or quoted / fair value computed script wise. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

ix. Assignment of Recoverables:

In case of assignment of recoverables, the amounts are derecognised when all the rights and titles in receivables are assigned. The charges paid on assignment are charged to Statement of Profit & Loss.

x. Inventory of Stores, Spares and Consumables:

Inventory of stores, spares and consumables are accounted for at costs, determined on weighted average basis, or net realisable value, whichever is less.

xi. Foreign Currency Transactions:

a. Transactions in Foreign Currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

b. Monetary items denominated in Foreign Currency at the Balance Sheet date are restated at the exchange rates prevailing at the Balance Sheet date. In case of the items which are covered by forward exchange contracts, the difference between the exchange rates prevailing at the Balance Sheet date and rate on the date of the contract is recognised as exchange difference. The premium on forward contracts is amortised over the life of the contract.

c. Non monetary Foreign Currency items are carried at cost.

d. Gains or losses on account of exchange difference either on settlement or on translation are recognised in the Statement of Profit and Loss except in respect of Long Term Foreign Currency Monetary Items which, if related to acquisition of depreciable fixed assets, are adjusted to the carrying cost of the depreciable fixed assets and in other cases transferred to Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term Foreign Currency Monetary items but not beyond March 31, 2020

xii. Employee Benefits:

a. Short–term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.

Notes on the Financial Statements

b. Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit & Loss.

c. In respect of employee's stock options, the excess of market price on the date of grant over the exercise price is recognised as deferred employee compensation expense amortised over vesting period.

xiii. Borrowing Costs:

Borrowing costs that are attributable to acquisition or construction of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit & Loss.

xiv. Leases:

In respect of operating leases, lease rentals are expensed with reference to the terms of lease and other considerations except for lease rentals pertaining to the period up to the asset is put to use, which are capitalised.

xv. Provision for Current and Deferred Tax:

a. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income–tax Act, 1961.

b. Deferred tax resulting from the timing differences between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realised in the future.

xvi. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

xvii. Financial Derivatives Hedging Transactions:

In respect of derivatives contracts, premium paid, provision for losses on restatement and gains / losses on settlement are recognised in the Statement of Profit and Loss.

xviii. Issue Expenses:

Expenses related to issue of equity and equity related instruments are adjusted against the Securities Premium Account.

xix. Premium on Redemption of Bonds/Debentures

Premium on redemption of bonds / debentures, net of tax impact, is adjusted against the Securities Premium Account.

xx. Provision for Doubtful receivables and Loans and Advances:

Provision is made in the accounts for doubtful receivables and loans and advances in cases where the management considers the debts, loans and advances, to be doubtful of recovery.

Notes on the Financial Statements

Note – 2 Share Capital (Amount in ₹)

	As At March 31, 2014	As At March 31, 2013
Authorised		
4,500,000,000 (Previous Year 4,500,000,000) Equity Shares of ₹ 10 each	**45,000,000,000**	45,000,000,000
50,000,000 (Previous Year 50,000,000) Preference Shares of ₹ 100 each	**5,000,000,000**	5,000,000,000
	50,000,000,000	50,000,000,000
Issued, subscribed and fully paid–up		
2,306,799,754 (Previous Year 2,306,799,754) Equity Shares of ₹ 10 each fully paid–up	**23,067,997,540**	23,067,997,540
Total	**23,067,997,540**	23,067,997,540

2.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

(Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
	Number	**₹**	Number	₹
Equity Shares at the beginning of the Year	**2,306,799,754**	**23,067,997,540**	957,348,604	9,573,486,040
Issued during the Year				
– On conversion of Compulsory Convertible Debentures	**–**	**–**	951,938,245	9,519,382,450
– On conversion of Foreign Currency Convertible Bonds	**–**	**–**	397,512,905	3,975,129,050
Equity Shares at the end of the Year	**2,306,799,754**	**23,067,997,540**	2,306,799,754	23,067,997,540

2.2 Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 Shares reserved for issue under options :

(i) The Employee Stock Option Schemes (ESOS) holders under the ESOS have the option to exercise/convert ESOS into NIL Equity Shares (Previous Year 13,465,454)

(ii) The Foreign Currency Convertible Bonds (FCCB) holders have the option to convert FCCB into 1,207,031,848 Equity Shares (Previous Year 1,115,163,217) (Refer Note No. 4.3)

(iii) Refer note No. 34 in respect of Shares to be issued pursuant to the Scheme of Arrangement

2.4 Details of shareholders holding more than 5% shares in the Company

Name of share holders	**As at March 31, 2014**		As at March 31, 2013	
	Number of Shares held	**% holding in Share Capital**	Number of Shares held	% holding in Share Capital
GTL Limited	**345,763,466**	**14.99%**	170,226,673	7.38%
Global Holding Corpoartion Private Limited	**283,062,609**	**12.27%**	283,062,609	12.27%
Indian Overseas Bank	**161,976,510**	**7.02%**	161,976,510	7.02%
ELM Park Fund Limited	**179,971,057**	**7.80%**	124,812,354	5.41%
Union Bank of India	**121,034,706**	**5.25%**	121,034,706	5.25%
IFCI Limited	**–**	**–**	175,536,793	7.61%

Notes on the Financial Statements

Note –3 Reserves and Surplus (Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
Reconstruction Reserve		**199,302,121**		199,302,121
Balance as per last Balance Sheet				
(Created in terms of the Scheme of Arrangement)				
Capital Reserve		**184,600,000**		184,600,000
Balance as per last Balance Sheet				
(On Forfeiture of Preferential Convertible Warrants)				
Securities premium account				
Balance as per last Balance Sheet	**5,855,114,705**		8,649,701,157	
Add : Addition during the year				
– On Issue of Equity Shares	**–**		2,400,510,885	
– On Cancellation of Bonds (Refer Note No. 4.4)	**1,195,402**		–	
	5,856,310,107		11,050,212,042	
Less: Redemption Premium on Foreign Currency Convertible Bonds (FCCB)	**347,235,480**		5,057,103,939	
Less: FCCB Issue Expenses*	**–**		137,993,398	
	347,235,480		5,195,097,337	
		5,509,074,627		5,855,114,705
Employee stock option outstanding				
Balance as per last Balance Sheet	**106,137,627**		106,413,920	
Less : Options lapsed during the year/Transferred to Surplus/(Deficit)	**106,137,627**		276,293	
	–		106,137,627	
Less: deferred employee stock compensation				
Balance as per last Balance Sheet	**170,689**		3,599,800	
Less : Lapsed during the year/ Transferred to Surplus/(Deficit)	**170,689**		3,429,111	
	–		170,689	
		–		105,966,938
Foreign Currency Monetary Item Translation Difference Account		**(783,419,902)**		(71,850,217)
Surplus/ (Deficit) in the Statement of Profit & Loss				
Balance as per last Balance Sheet	**(12,904,886,665)**		(6,038,498,968)	
Transfer on account of cancellation of ESOS (Refer Note No. 3.1)	**105,966,938**		–	
Loss for the year	**(5,512,400,893)**		(6,866,387,697)	
		(18,311,320,620)		(12,904,886,665)
Total		**(13,201,763,774)**		(6,631,753,118)

*Includes ₹ NIL (Previuos year ₹ 1,000,000) paid to the Auditors towards FCCB Issue.

Notes on the Financial Statements

3.1 As approved by the Shareholders in the Annual General Meeting held on September 17, 2013, during the year the Company has cancelled 13,465,454 options which were in force and closed “GTL Infrastructure Limited–Employee Stock Option Scheme 2005 (ESOS 2005)”. Accordingly Employee Share Option Outstanding amounting to ₹ 105,966,938 has been credited to Surplus/Deficit account of the Company

Note – 4 Long–Term Borrowings (Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
Secured Loans				
Rupee Term Loans from				
– Banks	**33,172,350,094**		33,820,440,604	
– Financial Institution	**824,470,700**		827,320,111	
	33,996,820,794		34,647,760,715	
Foreign Currency Term Loan from				
– Financial Institution	**741,014,730**		735,751,170	
		34,737,835,524		35,383,511,885
Unsecured Loans				
–Foreign Currency Convertible Bonds (Refer Note No. 4.3)		**14,429,464,323**		13,422,687,781
Total		**49,167,299,847**		48,806,199,666

4.1 Rupee Term Loans from Banks & Financial Institutions are secured by way of

(i) Mortgage by first pari–passu charge on all immovable assets, both present and future and on all movable assets, both present and future, including first floating charge on all the current assets of the Company.

(ii) Sponsor support from Global Holding Corporation Private Limited (GHC) and guarantee of Mr. Manoj Tirodkar (Promoter) towards debt servicing of CDR Lenders and personal gurantee aggregating to ₹ 6,010,400,000 by Mr. Manoj Tirodkar.

4.2 Terms of Repayment

(i) Rupee Term Loans from Banks and Financial Institutions and Current Maturities of Long–term borrowings having an effective yield of 10.75% over the tenure of the facility aggregating to ₹ 30,453,009,958 are repayable in 53 structured quarterly instalments starting from June 30, 2013 and ending on June 30, 2026

The Maturity Profile of these loans is as set below:

2014–15	**2015–16**	**2016–17**	**2017–18**
₹ 152,430,203	₹ 304,856,724	₹ 914,570,171	₹ 1,829,140,342
2018–19	**2019–20**	**2020–21**	**2021–22**
₹ 2,133,997,066	₹ 2,438,853,790	₹ 2,743,710,513	₹ 3,353,423,961
2022–23	**2023–24**	**2024–25**	**2025–26**
₹ 3,810,709,046	₹ 3,810,709,046	₹ 3,810,709,046	₹ 3,963,137,408
2026–27			
₹ 1,186,762,641			

(ii) Rupee Term Loans from Banks and Financial Institutions and Current Maturities of Long–term borrowings having an Interest rate of 3% p.a aggreegating to ₹ 2,070,946,959 are repayable in 16 structured quarterly instalments starting from June 30, 2013 and ending on March 31, 2017

The Maturity Profile of this loan is as set below:

2014–15	**2015–16**	**2016–17**
₹ 487,281,638	₹ 730,922,457	₹ 852,742,864

(iii) Rupee Term Loans from Banks having an Interest rate of 8% p.a aggregating to ₹ 2,112,575,718 are repayble only after the Final Settlement date of all other restructured Loans, i.e., June 30, 2026.

Notes on the Financial Statements

(iv) The Foreign Currency Term Loan and Current Maturities of Long term borrowings relating to Foreign Currency Term Loan are repayable in 32 equated quarterly instalments of Euro 375,000 starting from June 15, 2013 and ending on March 15, 2021. The loan carries Interest rate of 3 months Euribor+200 bps.

4.3 Foreign Currency Convertible Bonds (FCCBs) :

(i) In terms of Offering Circular dated October 17, 2012 ("Offering Circular"), on November 8, 2012 outstanding Foreign Currency Convertible Bonds (FCCBs) of US$ 228,300,000 together with premium of US$ 90,986,000 on them aggregating to US$ 319,286,000 were restructured by way of cashless exchange with 111,740 Zero Coupon Compulsorily Convertible Bonds due 2017 (Series A) and 207,546 Interest Bearing Convertible Bonds due 2017 (Series B) of US$ 1,000 each.

(ii) Series A and Series B Bondholders have an option to convert these bonds into equity shares at a fixed exchange ratio of 1 US$=₹ 54.252 at any time upto the Close of Business on November 2, 2017 ("Maturity Date") except during the 'closed period' as defined in the 'Offering Circular'.

(iii) Series A Bonds of US$ 111,740,000 are compulsorily convertible into equity shares with Bondholders having an option to convert each bond into 5,425.20 fully paid up equity shares of ₹ 10 each. As on March 31, 2014, 52,422 Series A Bonds were outstanding.

(iv) The Series B Bonds of US$ 207,546,000 are interest bearing optionally convertible bonds. Each bond carries an Interest at the rate of 0.5335% p.a. payable semi annually on the outstanding principal plus the margin for period under consideration with effect from November 8, 2013 as defined in Offering Circular. The Conversion Price shall be determined in terms of 'Offering Circular'. As on date, applicable Conversion Price for each Bond is ₹ 11.38 per equity share, accordingly Series B Bondholder have an option to convert each bond into 4,767.31 fully paid up equity shares of ₹ 10 each. As on March 31, 2014, 193,533 Series B Bonds were outstanding.

(v) Unless previously converted, redeemed, repurchased or cancelled, the Company will redeem each Series B Bond at 114.5047% of its principal amount on the maurity date i.e November 9, 2017.

4.4 Pursuant to Trust Deeds dated November 8, 2012 executed between the Company and the Trustee, constituting US$ 111,740,000 Zero Coupon Compulsorily Convertible Bonds due 2017 (Series A Bonds) and US$ 207,546,000 Interest Bearing Convertible Bonds due 2017 (Series B Bonds) respectively, the Company has cancelled fractional Series A Bonds of US$11,000 and fractional Series B Bonds of US$ 10,000 (aggregating US$ 21,000).

4.5 The details of overdue interest payable as at March 31, 2014 is as follows: (Amount In ₹)

Particulars	Total Overdue	Ageing		
		0–30 Days	30–60 Days	> 60 Days
Interest Payable on Term Loan from Banks & Financial Institution	653,625,908	305,318,653	243,286,254	105,021,001

Note –5 Other Long–Term Liabilities (Amount In ₹)

	As At March 31, 2014	As At March 31, 2013
Redemption Premium payable on FCCBs (Refer Note No. 4.3)	**468,167,092**	120,931,612
Deposits from customers	**597,537,328**	581,924,989
Interest accrued but not due on borrowings*	**1,991,130,931**	1,914,948,033
Total	**3,056,835,351**	2,617,804,634

* Represents the difference between effective rate of interest and step–up interest rate, pursuant to CDR Scheme, payable after March 31, 2015

Note –6 Other Long–Term Provisions (Amount In ₹)

	As At March 31, 2014	As At March 31, 2013
Provision for compensated absences	**8,769,273**	8,925,913
Total	**8,769,273**	8,925,913

Notes on the Financial Statements

Note –7 Trade Payables (Amount In ₹)

		As At March 31, 2014	As At March 31, 2013
Suppliers for goods and services			
– Micro,Small & Meduim Enterprises		**434,235**	–
– Others		**527,640,977**	404,234,416
	Total	**528,075,212**	404,234,416

7.1 Details of dues to micro, small & medium enterprises as defined under the MSMED Act,2006 (Amount In ₹)

	Particulars	**As at March 31, 2014**	As at March 31,2013
(i)	Principal amount remaining unpaid	434,235	NIL
(ii)	Interest due thereon	NIL	NIL
(iii)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006	12,158	NIL
(iv)	Interest due and payable for the period of delay in payment	NIL	NIL
(v)	Interest accrued and remaining unpaid	NIL	NIL
(vi)	Interest remaining due and payable even in succeeding years	NIL	NIL

Note –8 Other Current Liabilities (Amount In ₹)

	As at March 31, 2014		As at March 31, 2013	
Current maturities of long–term borrowings				
– Rupee Term Loans from Banks and Financial Institutions	**639,711,841**		388,507,882	
– Foreign Currency Term Loans from Financial Institutions	**123,502,455**		105,107,310	
		763,214,296		493,615,192
Interest accrued and due on borrowings		**653,625,908**		–
Interest accrued but not due on borrowings		**118,237,048**		5,496,021
Unearned revenue		**44,638,198**		37,003,289
Advance received from customers		**18,893,394**		32,258,798
Deposit Received from related parties (Refer Note No. 37)		**882,467,879**		322,500,000
Unclaimed Share Application Money *		**44,859**		44,859
Others				
– Statutory dues	**34,041,585**		18,067,848	
– Capex Creditors	**77,443,425**		40,126,744	
– Other Payable**	**940,432,127**		672,434,033	
		1,051,917,137		730,628,625
Total		**3,533,038,719**		1,621,546,784

* Does not include any amount, due and outstanding to be credited to Investor Education and Protection Fund

** Mainly includes Provision towards salary, restructuring and other expenses payable.

Notes on the Financial Statements

Note –9 Short–term Provisions (Amount In ₹)

	As At March 31, 2014	As At March 31, 2013
Provision for compensated absences	**589,813**	376,912
Total	**589,813**	376,912

NOTE–10 FIXED ASSETS (Amount In ₹)

Particulars	GROSS BLOCK				DEPRECIATION				IMPAIRMENT	NET BLOCK	
	As at April 01, 2013	Additions	Deductions/ Adjustments	As at March 31, 2014	As at April 1, 2013	For the Year	Deductions/ Adjustments	As at March 31, 2014	Upto March 31, 2014	As at March 31,2014	As at March 31,2013
Owned Assets											
A) Tangible Assets:											
Land	59,860,418	–	–	**59,860,418**	–	–	–	**–**	**–**	**59,860,418**	59,860,418
Buildings	3,707,823,101	4,525,756	204,066,821	**3,508,282,036**	958,054,574	272,848,257	19,514,191	**1,211,388,640**	**–**	**2,296,893,396**	2,749,768,527
Plant and Equipments	47,552,766,751	814,210,971	1,682,142,143	**46,684,835,579**	10,516,590,529	2,308,849,492	247,353,530	**12,578,086,491**	**1,052,341,288**	**33,054,407,800**	35,176,683,965
Office Equipments	73,021,315	2,242,224	–	**75,263,539**	70,747,579	1,553,657	–	**72,301,236**	**–**	**2,962,303**	2,273,736
Furniture & Fixtures	57,281,867	112,460	–	**57,394,327**	55,757,907	1,540,838	–	**57,298,745**	**–**	**95,582**	1,523,960
Vehicles	8,775,481	–	–	**8,775,481**	6,416,088	693,424	–	**7,109,512**	**–**	**1,665,969**	2,359,393
Total of Tangible Assets (A)	**51,459,528,933**	**821,091,411**	**1,886,208,964**	**50,394,411,380**	**11,607,566,677**	**2,585,485,668**	**266,867,721**	**13,926,184,624**	**1,052,341,288**	**35,415,885,468**	**37,992,469,999**
B) Intangible Assets :											
Softwares*	22,698,151	12,429,109	–	**35,127,260**	22,147,172	2,764,265	–	**24,911,437**	**–**	**10,215,823**	550,979
Total of Intangible Assets (B)	22,698,151	12,429,109	**–**	**35,127,260**	22,147,172	2,764,265	–	**24,911,437**	**–**	**10,215,823**	550,979
Total of (A) + (B)	**51,482,227,084**	**833,520,520**	**1,886,208,964**	**50,429,538,640**	**11,629,713,849**	**2,588,249,933**	**266,867,721**	**13,951,096,061**	**# 1,052,341,288**	**35,426,101,291**	**37,993,020,978**
Previous Year	50,426,710,436	1,426,804,903	371,288,253	**51,482,227,086**	9,074,744,299	2,652,909,881	97,940,334	**11,629,713,846**	1,859,492,257	**37,993,020,978**	
Capital Work–in–progress										**893,833,527**	2,164,710,044

* Other than Internally Generated

Includes Impairment for the Year ₹ 327,094,321 (Previous Year ₹ 1,859,492,257) and reversal on account of Sale of Assets of ₹ 1,134,245,290 (Previous Year NIL)

10.1 Buildings include properties having gross block of ₹ 86,259,650 (Previous Year ₹ 86,259,650) for which deeds of conveyance have yet to be executed in favour of the Company and ₹ 7,000 towards cost of 70 shares of ₹100 each in a Co–operative Housing Society.

10.2 Buildings include of ₹ 2,968,369,801 (Previous Year ₹ 2,965,369,801) towards Leasehold Improvements and Boundry Wall at Sites.

10.3 Additions to Plant & Equipments includes Net Foreign Exchange Difference of ₹ 147,668,412 (Previous Year ₹ 458,383,117) and borrowing costs ₹ NIL (Previous Year ₹ 80,347,961) Capitalised during the year.

10.4 During the year the Company has disposed off CWIP of ₹ 168,479,822 for ₹ 137,303,894 (Previous Year ₹ 35,219,783 for ₹ 17,242,289.)

10.5 Capital Work–in–Progress includes:

a) Capital Goods of Inventory amounting to ₹893,833,526 (Previous Year ₹ 1,106,549,223.)

b) Net Foreign Exchange Difference of ₹ NIL (Previous Year ₹ 149,043,050.)

c) Pre–operative expenses of ₹ NIL (Previous Year ₹ 909,117,771.)

Notes on the Financial Statements

10.6 Details of Net Pre–operative Expenses Considered as Capital Work –In–Progress: (Amount in ₹)

	2013–14	2012–13
Opening Balance	**909,117,771**	954,467,894
Add:		
Expenditure Incurred during the year:		
Infrastructure Operation and Maintenance Cost	**22,426,642**	13,569,626
Salaries and Allowances	**–**	11,050
Contribution to Provident Fund and Other Fund	**–**	–
Rent	**–**	179,347
Insurance	**–**	–
Communication Cost	**–**	–
Travel and Conveyance	**–**	356,448
Legal and Professional Charges	**–**	–
Stamp Duty and Registration Charges	**–**	4,100
General and Administrative Expenses	**18,076,453**	21,142,086
Interest on Term Loan	**–**	–
Interest Others	**–**	–
Bank and Financial Charges	**–**	169
	949,620,866	989,730,721
Less:		
Interest Received	**–**	–
Dividend on Current Investment	**–**	–
Profit on Sale of Current Investments	**–**	–
	949,620,866	989,730,721
Less: Provisions written Back	**2,222,414**	264,989
Allocated to Fixed Assets	**44,350,388**	80,347,961
Transferred to Statement of Profit & Loss (Refer Note No. 25)	**903,048,064**	–
Closing Balance	**–**	909,117,771

10.7 **Impairment of Assets**

The Company, during the year, carried out an annual exercise of identifying assets that may have been impaired in accordance with the Accounting Standard AS 28 “Impairment of Assets”. Considering the continued unfavourable telecom environment prevailing in the country and consequential under utilization of passive telecom infrastructure, the management has identified certain plant & equipments (including those under installation) as impaired. Accordingly, an impairment of ₹ 1,302,069,866/– (Previous Year ₹ 2,211,353,763/–) (including CWIP of ₹ 974,975,545/– (Previous Year ₹ 351,861,506/–)) has been charged to the Statement of Profit & Loss.

Notes on the Financial Statements

Note – 11 NON–CURRENT INVESTMENTS

(Long–term, Trade) (Amount in ₹)

					As at March 31, 2014	As at March 31, 2013
Unquoted	Number **March 31, 2014**	March 31, 2013	Face Value (₹)			
In Equity Shares Others – Fully Paid up Global Rural NETCO Ltd.	**33,250,000**	33,250,000	10	**332,500,000**		332,500,000
Investment in Corpus of Tower Trust (A Beneficiary Trust)				**18,162,277,122**		18,157,224,000
					18,494,777,122	18,489,724,000
			Total		**18,494,777,122**	18,489,724,000

11.1 Aggregate Amount of Unquoted Investments	**18,494,777,122**	18,489,724,000

11.2 The Company is the sole beneficiary in the Tower Trust and has contributed as at March 31, 2014 ₹ 18,162,277,122 (Previous Year ₹ 18,157,224,000) towards the Corpus of the said Trust. The Trust has invested the aforesaid amount in "Chennai Network Infrastructure Ltd." (CNIL) a special purpose vehicle (SPV) and holds 1,815,722,400 Equity Shares of ₹ 10 each (Previous Year 1,815,722,400) representing 27.53% (Previous Year 28.84%) of total issued and paid up Equity Share Capital of CNIL as on March 31,2014

11.3 Based on the latest available Audited Financial Statements of the Investee companies, the book value per share is considerably less than cost. However in the opinion of the Management, having regard to the long–term nature of the business and future plans of action, there is no diminution in the value of investments which is other than temporary and hence no provision for diminution in the value of non–current investments has been considered.

11.3 Refer Note No. 1 (viii) for basis of valuation

Note –12 Long–term Loans & Advances

(Unsecured, Considered good unless otherwise stated) (Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
Capital advances (Refer Note No. 12.1)				
– Considered good	**3,674,928,293**		3,908,429,942	
– Considered Doubtful	**600,000,000**		1,332,100,863	
	4,274,928,293		5,240,530,805	
Less: Provision for doubtful advances	**600,000,000**		1,332,100,863	
		3,674,928,293		3,908,429,942
Deposit Given *		**327,098,311**		238,049,822
Advance income–tax (net of provision for taxation)		**383,364,000**		627,732,343
Other Advance**		**47,840,429**		43,733,001
Total		**4,433,231,033**		4,817,945,108

* Includes ₹ 21,600,000 (Previous Year ₹ 21,600,000) with a related party (Refer Note No. 37)

** Includes amount paid under protest & refund receivable from Sales Tax Authorities.

Notes on the Financial Statements

12.1 As per the Business Purchase Agreement of July 2010 between Aircel and the Company, in order to meet their planned deployment of 20,000 contracted tenancies under Right of First Refusal (ROFR), the Company had placed orders on various parties to procure tower assets and made advances against those orders. Since the beginning of year 2012, the telecom scenario in the Country changed drastically due to cancellation of 122 2G licenses by the Hon'ble Supreme Court, slower 2G & 3G growth, failure of spectrum auctions and general economic slowdown. As a result, Aircel failed to honor its ROFR commitment to the Company and since the telecom scenario further worsened, the Company did not lift the materials against those orders for capital goods to various vendors. The Company is negotiating with the vendors for the recovery of these advances and the management is confident of recovering substantial amount from the vendors but as a matter of prudence and based on the best estimates a provision for doubtful advances of ₹ 600,000,000 (Previous year ₹ 1,332,100,863) has been made which has been disclosed as an exceptional item in the statement of profit and loss.

NOTE – 13 CURRENT INVESTMENTS

(Other then Trade) (Amount in ₹)

	Number				
	March 31, 2014	March 31, 2013	**Face Value (₹)**	**As at March 31, 2014**	As at March 31, 2013
Unquoted					
In Unit of Mutual Funds					
AXIS LIQUID FUND – INSTITUTIONAL GROWTH	**–**	31,422	1000	**–**	66,773,510
L&T CASH FUND DIRECT PLAN – GROWTH	**–**	27,879	1000	**–**	44,173,295
IDBI LIQUID FUND – GROWTH	**–**	140,322	1000	**–**	176,467,932
DWS INSTA CASH PLUS FUND – SUPER INSTITUTIONAL PLAN GROWTH	**–**	979,505	100	**–**	147,937,757
SBI PREMIER LIQUID FUND – DIRECT PLAN – GROWTH	**24,258**	–	1000	**48,451,863**	–
DSP BLACKROCK LIQUIDITY FUND – DIRECT PLAN – GROWTH	**2,231**	–	1000	**4,028,479**	–
UNION KBC LIQUID FUND GROWTH – DIRECT PLAN	**1,564**	–	1000	**2,000,000**	–
PEERLESS LIQUID FUND – DIRECT PLAN GROWTH	**12,415,440**	–	10	**174,485,440**	–
			Total	**228,965,782**	435,352,494

Note:

13.1 Aggregate Amount of Unquoted Investments	**228,965,782**	435,352,494
13.2 Refer Note No. 1 (viii) for basis of valuation		

Note –14 Inventories (Amount in ₹)

	As At March 31, 2014	As At March 31, 2013
Stores, Spares and Consumables	**6,310,265**	11,679,166
Total	**6,310,265**	11,679,166

Refer Note No. 1(x) for basis of valuation

Notes on the Financial Statements

Note –15 Trade Receivables

(Unsecured and subject to confirmation) (Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
Outstanding for a period exceeding six months from the date they are due for payment				
– Considered good	**367,269,986**		136,549,387	
– Considered Doubtful	**80,163,398**		152,098,720	
	447,433,384		288,648,107	
Provision for doubtful receivables	**80,163,398**		152,098,720	
		367,269,986		136,549,387
Others				
– Considered good	**292,859,686**		430,276,321	
– Considered Doubtful	**–**		149,599	
	292,859,686		430,425,920	
Provision for doubtful receivables	**–**		149,599	
		292,859,686		430,276,321
Total		**660,129,672**		566,825,708

(Refer Note No. 33)

Note –16 Cash and Bank Balances

(Amount in ₹)

	As at March 31, 2014		As at March 31, 2013	
Cash and cash equivalents				
Balances with Banks:				
– in current accounts	**466,030,414**		249,525,011	
– cheques in hand	**13,549,053**		35,631,796	
Cash on hand	**1,029,328**		618,251	
		480,608,795		285,775,058
Other Bank Balances				
Share Application Money Refund Account	**44,859**		44,859	
Fixed Deposits with Banks*:				
– Pledged as Margin Money	**14,258,579**		13,168,042	
– Others	**4,831,115**		4,606,976	
		19,134,553		17,819,877
Total		**499,743,348**		303,594,935

* Includes ₹ 382,196 (Previous year ₹ 368,553) having maturity period of more than 12 months.

Notes on the Financial Statements

Note –17 Short–Term Loans and Advances

(Unsecured, Considered good unless otherwise stated) (Amount in ₹)

		As at March 31, 2014		As at March 31, 2013
Loans and advances to related parties (Refer Note No. 37)		**2,493,199,506**		3,549,253,315
Cenvat / Service Tax input credit entitelments		**36,629,340**		32,268,951
Prepaid expenses		**26,895,285**		26,635,382
Deposits		**58,878,817**		110,511,965
Cenvat Receivable (Refer Note No. 17.1)		**799,256,619**		–
Income Tax Refund Receivable		**447,516,712**		–
Other Advances *				
– Considered good	**46,035,275**		39,420,803	
– Considered Doubtful	**697,087**		1,110,653	
	46,732,362		40,531,456	
Less: Provision for doubtful advances	**697,087**		1,110,653	
		46,035,275		39,420,803
Total		**3,908,411,554**		3,758,090,416

* Mainly relating to advances to suppliers, employees and Interest receivables

17.1 During earlier years, as legally advised, the Company's Cenvat credit aggregating to ₹ 799,256,619/– was utilised for discharging service tax liability of Chennai Network Infrastructure Limited (CNIL), the then Subsidiary Company and now, an associate which is in the process of merger with the Company. Subsequently, during the year CNIL has paid the same to the Service Tax Authority under Voluntary Compliance Encouragement Scheme (VCES). In this regard the Company has already filed a writ petition in High Court of judicature at Mumbai for seeking restoration of this cenvat credit. Further, CNIL has also given an undertaking to the Company to make good the entire amount in case the Company's claim of restoration stands rejected or not fully allowed.

Note –18 Other Current Assets

(Unsecured, subject to confirmation and Considered good unless otherwise stated) (Amount in ₹)

		As at March 31, 2014		As at March 31, 2013
Energy Recoverables				
Considered good	**1,404,007,994**		1,232,049,603	
Considered Doubtful	**232,771,317**		149,882,266	
	1,636,779,311		1,381,931,869	
Provision for doubtful receivables	**232,771,317**		149,882,266	
		1,404,007,994		1,232,049,603
Unbilled Income		**205,330,393**		122,340,295
Total		**1,609,338,387**		1,354,389,898

(Refer Note No. 33)

Notes on the Financial Statements

Note –19 Revenue from Operations (Amount in ₹)

		For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Revenue from Telecom/Network Infrastructure Facilities		**6,483,302,132**	6,337,459,880
Equipment Provisioning		**9,320,850**	9,078,804
	Total	**6,492,622,982**	6,346,538,684

Note –20 Other Income (Amount in ₹)

		For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Profit on Sale of Current Investments (net)		**37,859,762**	35,213,466
Interest Income		**325,480,652**	7,831,925
Miscellaneous Income		**3,798,932**	2,274,380
	Total	**367,139,346**	45,319,771

Note –21 Infrastructure Operation & Maintenace Cost (Net) (Amount in ₹)

		For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Site Rentals		**775,111,644**	772,420,320
Power, Fuel and Maintenance Charges		**3,600,704,647**	3,170,582,238
Repairs and Maintenance to Plant and Equipments		**125,290,592**	103,276,688
Stores & Spares consumption		**2,508,901**	–
Other Operating Expenditure		**718,632,100**	629,259,594
		5,222,247,884	4,675,538,840
Less: Recovered from Customers (Net of Service Tax)		**2,979,548,706**	2,704,445,048
	Total	**2,242,699,178**	1,971,093,792

21.1 Stores & Spares consumption includes:

Particulars	2013–14 ₹	2013–14 % of Total consumed	2012–13 ₹	2012–13 % of Total consumed
Imported	**–**	**–**	–	–
Indigenous	**2,508,901**	**100%**	–	–

Note –22 Employee Benefits Expense (Amount in ₹)

		For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Salaries and Allowances		**162,877,254**	155,091,444
Contribution to Providend Fund, Gratuity fund and Other Funds		**23,457,688**	22,914,060
Employee stock option cost		**–**	3,152,818
Employee Welfare and other amenities		**3,399,684**	4,111,566
	Total	**189,734,626**	185,269,888

Notes on the Financial Statements

22.1 Employee Benefits:

As per Accounting Standard 15 "Employee Benefits" the disclosure of Employee Benefit, as defined in Accounting Standard are given below:

Defined Contribution Plan (Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Employer's Contribution to Provident fund	**14,886,313**	12,440,584
Employer's Contribution to Pension fund	**2,394,927**	2,009,895
Total	**17,281,240**	**14,450,479**

Defined Benefit Plan

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

a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(Amount in ₹)

Particulars	Gratuity Funded		Compensated Absences Unfunded	
	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
Defined Benefit Obligation at beginning of the Year	**23,361,635**	17,519,831	**9,302,825**	10,258,582
Current Service Cost	**3,888,253**	4,046,240	**816,418**	2,629,132
Current Interest Cost	**1,927,335**	1,532,985	**767,483**	897,626
Actuarial (Gain) / Loss	**(4,040,849)**	(249,313)	**(177,190)**	(1,245,941)
Liability Transfer In	**4,402,094**	5,222,376	**562,309**	–
Liability Transfer Out	**(801,174)**	(1,811,416)	**(269,543)**	–
Benefits paid	**(2,639,194)**	(2,899,068)	**(1,643,216)**	(3,236,575)
Defined Benefit Obligation at the end of the Year	**26,098,100**	23,361,635	**9,359,086**	9,302,824

b. Reconciliation of opening & closing balances of fair value of plan assets (Amount in ₹)

Particulars	Gratuity Funded	
	As at March 31, 2014	As at March 31, 2013
Fair Value of Plan Asset at beginning of the Year	**36,581,101**	24,910,034
Expected Return on Plan Assets	**3,182,556**	2,142,263
Actuarial Gain/ (Loss)	**(5,985,784)**	(3,953,679)
Contributions	**5,691,458**	11,164,798
Fund Transfer In	**–**	5,216,753
Fund Transfer out	**–**	–
Benefits paid	**(2,639,194)**	(2,899,068)
Fair Value of Plan Asset at the end of the Year	**36,830,137**	36,581,101

Notes on the Financial Statements

c. Reconciliation of present value of obligations & fair value of plan assets (Amount in ₹)

Particulars	Gratuity Funded		Compensated Absences Unfunded	
	As at March 31, 2014	As at March 31, 2013	**As at March 31, 2014**	As at March 31, 2013
Fair Value of Plan Asset at the end of the Year	**36,830,137**	36,581,101	**9,359,086**	NIL
Present Value of Defined Benefit Obligation at end of the Year	**26,098,100**	23,361,635	**NIL**	9,302,824
Liability/ (Asset) recognised in the Balance Sheet	**(10,732,037)**	(13,219,466)	**9,359,086**	9,302,824

d. Expense Recognised During the year (Amount in ₹)

Particulars	Gratuity Funded		Compensated Absences Unfunded	
	For the year ended March 31, 2014	For the year ended March 31, 2013	**For the year ended March 31, 2014**	For the year ended March 31, 2013
Current Service Cost	**3,888,253**	4,046,240	**816,418**	2,629,132
Interest Cost	**1,927,335**	1,532,985	**767,483**	897,626
Expected Return on Plan Assets	**(3,182,556)**	(2,142,263)	**–**	–
Actuarial (Gain) / Loss	**1,944,935**	3,704,366	**(177,190)**	(1,245,941)
Net Cost Recognised in Statement of Profit and Loss Account	**4,577,967**	7,141,328	**1,406,711**	2,280,817

e. Amounts for current and previous years: Gratuity (Amount in ₹)

Particulars	2013–14	2012–13	2011–12	2010–11	2009–10
Defined Benefit Obligation	**26,098,100**	23,361,635	17,519,831	11,972,133	6,793,111
Plan Assets	**36,830,137**	36,581,101	24,910,034	12,005,786	7,849,083
Suplus / (Deficit)	**10,732,037**	13,219,466	7,390,203	33,653	1,055,972
Experience Adjustment on Plan Assets– (Gain) / loss	**5,985,784**	3,953,679	(528,216)	(956,022)	(557,499)
Experience Adjustment on Plan Liabilities– Gain / (Loss)	**1,320,241**	1,726,017	4,428,976	(2,899,058)	(989,039)

f. Amounts for current and previous years: Compensated Absences (Amount in ₹)

Particulars	2013–14	2012–13	2011–12	2010–11	2009–10
Defined Benefit Obligation	**9,359,086**	9,302,824	10,258,583	7,794,150	5,476,076
Plan Assets	**NIL**	NIL	NIL	NIL	NIL
Surplus / (Deficit)	**(9,359,086)**	(9,302,824)	(10,258,583)	(7,794,150)	(5,476,076)
Experience Adjustment on Plan Assets– (Gain) / loss	**NIL**	NIL	NIL	NIL	NIL
Experience Adjustment on Plan Liabilities– Gain / (Loss)	**369,610**	1,854,449	1,696,479	790,369	1,248,804

Notes on the Financial Statements

g. Assumptions used to determine the defined benefit obligation (Amount in ₹)

Particulars	Gratuity Funded		Compensated Absences Unfunded	
	For the year ended March 31, 2014	For the year ended March 31, 2013	**For the year ended March 31, 2014**	For the year ended March 31, 2013
Discount Rate (p.a.)	**9.31%**	8.25%	**9.31%**	8.25%
Estimated rate of return on Plan Assets (p.a.)	**9.31%**	8.70%	**NA**	NA
Expected rate of increase in salary (p.a.)	**5.00%**	5.00%	**5.00%**	5.00%

Note –23 Other Expenses (Amount in ₹)

		For the Year ended on March 31, 2014	For the Year ended on March 31, 2013	
Rent		**53,280,279**		60,778,124
Rates and Taxes		**19,896,343**		25,947,388
Electricity		**7,808,928**		9,549,274
Repairs and Maintenance				
– Office Building		**–**		1,069,760
– Office Equipments		**1,930,213**		2,497,722
– Others		**5,231,378**		2,323,764
Insurance Premium		**6,120,381**		6,844,275
Communication Cost		**8,193,599**		8,080,470
Travel and Conveyance		**51,744,439**		31,909,452
Legal and Professional Charges		**91,207,130**		77,489,471
Payment to Auditors		**6,735,000**		6,735,000
Office Expenses		**27,025,121**		20,325,987
Printing and Stationery		**4,143,702**		4,364,016
Directors' Sitting Fees		**570,000**		855,000
Exchange differences / Foreign Currency Monetory translation Reserve amortised (Net)		**298,447,621**		6,433,637
Advertisment and Business Promotion		**910,439**		18,527,949
Bad Debts / Advances Written Off (Net)	1,585,458,534			101,180,094
Less: Provision for Doubtful Debts / Advances Written Back	(1,582,316,742)			(80,642,919)
		3,141,792		20,537,175
Provision for Doubtful Debts / Advances		**255,185,342**		195,201,702
Loss on Sale of Fixed Assets (Net)		**96,501,949**		196,795,277
Miscellaneous Expenses		**19,473,539**		21,247,969
Total		**957,547,195**		**717,513,412**

Notes on the Financial Statements

23.1 Auditor's Remuneration includes (Amount in ₹)

Particulars	For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Audit Fees	3,000,000	3,000,000
Tax Audit Fees	1,200,000	1,200,000
Certification Fees	2,535,000	2,535,000
Total	6,735,000	6,735,000

Note –24 Finance Costs (Amount in ₹)

Particulars	For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Interest	3,706,805,472	3,478,065,835
Other Borrowing Costs	70,824,374	27,262,163
Total	3,777,629,846	3,505,327,998

Note –25 Depreciation, Amortisation and Impairment (Amount in ₹)

Particulars	For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Depreciation and Amortisation	2,588,249,933	2,652,909,881
Impairment	399,021,802	2,211,353,763
Pre–operative expenses transferred to Statement of Profit & Loss	903,048,064	–
Total	3,890,319,799	4,864,263,644

Note –26

Pursuant to the Company's application to the appropriate Income Tax Authorities for AY 2005–06 to AY 2012–13, orders have been received during the year. As per these orders, net income tax payable relating to earlier years aggregating to ₹ 8,870,435 has been provided for and ₹ 447,516,712 has been accounted as Income Tax Refund receivable.

Note –27 Prior Period Items (Amount in ₹)

Particulars	For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Communication Expenses	5,620	–
Rent	12,500	–
Rates & taxes	–	13,500
Total	18,120	13,500

Notes on the Financial Statements

Note –28 Expenditure in Foreign Currency (Amount in ₹)

Particulars	For the Year ended on March 31, 2014	For the Year ended on March 31, 2013
Interest on DEG	**21,609,259**	20,847,669
Interest on FCCB	**117,407,112**	–
Bank Charges	**–**	10,941
Travelling	**4,377,582**	650,761
Professional Fees	**59,485,000**	–
FCCB Expenses	**–**	104,761,948
Others	**402,140**	1,857,592
Total	**203,281,093**	128,128,911

Note: The above does not include FCCB redemption premium provided in the books.

Note – 29 Earnings Per Share(Basic and Diluted) (Amount in ₹)

Particulars	For the year ended on March 31, 2014	For the year ended on March 31, 2013
Net profit /(Loss) after tax attributable to Equity Shareholders.	(5,512,400,893)	(6,866,387,697)
Weighted average no. of equity shares outstanding	2,306,799,754	1,934,413,434
Basic & Diluted Earning Per Share of ₹ 10 Each (₹)	(2.39)	(3.55)

The effect of Foreign Currency Convertible Bonds on the Earnings Per Share is anti–dilutive and hence, the same is not considered for the purpose of calculation of dilutive Earning Per Share.

Note – 30 Contingent Liabilities: (Amount in ₹)

Sr. No.	Particulars	As at March 31, 2014	As At March 31, 2013
	Contingent Liabilities not provided for (No Cash Outflow is expected)		
i	Bank Guarantees (Bank Guarantees are provided under contractual / legal obligation)	**19,346,614**	20,130,206
ii.	Corporate Guarantee (Given to Banks and Financial Institution for loans taken by the erstwhile subsidiary company)	**8,310,000,000**	10,810,000,000
iii.	Claims against the Company not acknowledged as debts	**106,029,485**	44,504,728
IV	Disputed liability in respect of Service Tax Matters under appeal	**1,402,120,217**	–
V	Disputed liability in respect of Sales Tax Matters under appeal (Amount deposited ₹ 21,008,127) (Previous Year ₹ 31,899,647)	**73,892,075**	91,317,125

Note – 31 During the year 2008–09 the Company had imported OFC (Optical Fiber Cable) on which the Custom department issued Show Cause Notice for the demand of Custom Duty of ₹ 9,294,731/– The Company deposited the whole amount under protest and subsequently the Commissioner granted the relief to the Company of ₹ 7,794,792/–. As against the said order of the Commissioner, the Custom department has filed an appeal with the CESTAT, Mumbai on October 11, 2010. The Company feels there will not be any further liability on this account.

Notes on the Financial Statements

Note – 32 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) as at March 31, 2014 is ₹ 1,006,680,790 (Previous year ₹ 9,585,559,405/–) Cash outflow is expected on execution of such contracts on progressive basis.

Note – 33 The Company has entered into a separate Master Services Agreement (MSA) with the Telecom Operators for a tenure upto 15 years. Invoices are raised on these operators for provisioning fees and recovery of pass through expenses as part of the said MSA. The Company has requested for the balance confirmations from these operators and in respect of certain operators, confirmations are still awaited. The management is of the view that all the outstanding trade receivables/other receivables are good for recovery except for which provision have already been made.

Note – 34 The Scheme of arrangement between the Company and Chennai Network Infrastructure Limited (CNIL) under section 391 to 394 of Companies Act, 1956 was approved by the Hon'ble High Court of Judicature of Bombay but is pending for approval before Hon'ble High Court of Judicature of Madras. Consequent upon restructuring due to CDR, the above scheme is being modified, subject to the approval of all competent authorities.

Note – 35 During the last few years, the telecom industry has been adversely affected by the general economic slowdown and various other factors such as slower growth of 3G technology; failure of spectrum auctions and inflationary costs of power & fuel. This has resulted into substantial erosion of the Company's net worth and the Company has incurred cash losses. The Company is taking various measures such as cost optimisation, improving operating efficiency, renegotiation of contracts with customers to improve Company's operating results and cash flows. Further the management believes that new spectrum auction will result in exponential growth in 3G 4G & LTE which are expected to generate incremental cash flows to the Company. In view of the above, the Company continued to prepare its Financial Statements on going concern basis.

Note – 36 Segment Reporting:

The Company is predominantly in the business of providing "Telecom Towers" on shared basis and as such there are no separate reportable segments. The Company's operations are only in India.

Note – 37 Related Party Disclosures:

a. Related Parties

I. Trust

Tower Trust (The Company is sole beneficiary)

II. Associates

a. GTL Limited

b. Chennai Network Infrastructure Limited

c. Global Holding Corporation Private Limited

III. Key Managerial Personnel

a. Mr. Manoj Tirodkar, Chairman

b. Mr. Milind Naik, Whole Time Director & Co–COO

c. Mr. L. Y. Desai, Chief Financial Officer (from May 10, 2013)

d. Mr. Bhupendra Kiny, Chief Financial Officer (upto May 9,2013)

Notes on the Financial Statements

b. Transactions with Related Parties (Amount in ₹)

			For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
I]	**TRUST**			
		Investment in Corpus	**5,053,122**	820,000
		Outstanding At	**31–Mar–14**	31–Mar–13
		Investment in Corpus	**18,162,277,122**	18,157,224,000
		Loans and Advances	**–**	2,353,122
II]	**ASSOCIATES**			
	a)	**Chennai Network Infrastructure Limited**		
		Sale of Fixed Assets	**2,411,350**	2,632,866
		Reimbursement of expense from	**397,559,034**	358,457,063
		Reimbursement of expenses to	**–**	4,727,501
		Assignment of Advances	**–**	1,500,064,874
		Interest Income	**264,474,240**	2,375,444
		Security Deposit Received	**559,967,879**	320,000,000
		Inventory given on loan	**–**	101,650,702
		Outstanding At	**31–Mar–14**	31–Mar–13
		Loans & Advances	**2,265,493,079**	3,376,164,755
		Security Deposit received	**879,967,879**	320,000,000
		Corporate Guarantee	**8,310,000,000**	10,810,000,000
	b)	**GTL Limited**		
		Purchase of Fixed Assets	**230,764,227**	66,924,940
		Reimbursement of expenses from	**1,404,857,113**	1,247,237,409
		License fees for sharing premises	**4,094,783**	–
		Operations, Maintenance and Energy Management	**3,744,913,659**	3,403,690,928
		Legal and Professional Charges	**4,455,351**	1,082,172
		Rent	**26,603,568**	26,051,566
		Reimbursement of expenses to	**9,570,790**	12,414,877
		Outstanding At	**31–Mar–14**	31–Mar–13
		Trade Payables	**218,414,564**	114,350,889
		Capital Creditors	**59,753,077**	–
		Loans and Advances	**574,629**	170,735,438
		Capital Advances	**17,030,857**	–
		Other liabilities	**364,598,077**	101,639,472
		Security Deposit received	**2,500,000**	2,500,000
		Security Deposit given	**21,600,000**	21,600,000
	c)	**Global Holding Corporation Pvt. Ltd.**		
		CCD converted into Equity Shares	**–**	901,600,000
III]	**KEY MANAGERIAL PERSONNEL**			
	Salaries & Allowances (*)		**12,180,675**	11,445,113
	Director Sitting Fees Paid(**)		**135,000**	202,500

(*) Salaries and allowances include ₹ 4,970,616 paid to Mr. Milind Naik (Whole Time Director), ₹ 667,516 to Mr. Bhupendra Kiny (Chief Financial Officer) and ₹ 6,542,543 paid to Mr. L. Y. Desai (Chief Financial Officer)

(**) Directors Sitting Fees Paid to Mr. Manoj Tirodkar ₹ 135,000

Notes on the Financial Statements

Note – 38 Deferred Tax Liability/ (Assets)

As required by Accounting Standard 22 on 'Accounting for Taxes on Income' Deferred Tax Comprises of following items:

(Amount in ₹)

Particulars		As at March 31, 2014	As at March 31,2013
Deferred Tax Liabilities			
Related to Fixed Assets		**3,385,341,159**	2,859,237,328
	Total	**3,385,341,159**	2,859,237,328
Deferred Tax Assets			
Unabsorbed Depreciation		**6,364,436,740**	4,496,265,907
Disallowance under Income Tax Act		**120,452,742**	1,408,068,898
	Total	**6,484,889,482**	5,904,334,805
Net Deferred Tax Liability/(Asset)		**(3,099,548,323)**	(3,045,097,477)

As at March 31,2014, the Company has Net Deferred Tax Assets of ₹ 3,099,548,323. In The absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised, the same has not been recognised in the books of accounts in line with Accounting Standard 22 dealing with "Accounting for taxes on Income".

Note – 39 Particulars of **foreign currency exposures** that are not hedged by derivative instruments as at 31st March 2014

a) Receivables– ₹ 1,011,298,354 (Previous year ₹ 1,011,298,354)

b) Payables– ₹ 15,882,678,732 (Previous year ₹ 14,387,442,124)

Note – 40 Operating Lease

The Company's significant leasing arrangements are in respect of operating leases for premises and network sites. These lease agreements provide for cancellation by either parties thereto as per the terms and conditions of the agreements.

Note – 41 In the opinion of the Management, Non Current/Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.

Note – 42 In accordance with clause 32 of Listing Agreement the details of Loans and Advances are as under:

a. To Chennai Network Infrastructure Limited (CNIL), an Associate, closing balance as on March 31, 2014 is ₹ 2,265,493,079 (Previous year ₹ 3,376,164,755). Maximum balance outstanding during the year was ₹ 3,391,395,602 (Previous year ₹ 3,376,164,755).

b. CNIL has not made investment in the shares of the Company.

c. As per the Company's policy loans to employees are not considered for this clause.

Note – 43 The previous year's figures, wherever necessary, have been regrouped, reclassified and rearranged to make them comparable with those of the current year.

As per our report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

R. KORIA
Partner

For **YEOLEKAR & ASSOCIATES**
Chartered Accountants

S. S. YEOLEKAR
Partner

For and on behalf of the board of Directors

MANOJ TIRODKAR
Chairman

VIJAY VIJ
Director

MILIND NAIK
Whole–time Director

L. Y. DESAI
Chief Financial Officer

NITESH MHATRE
Joint Company Secretary

Place : Mumbai
Date : May 21, 2014

GTL INFRASTRUCTURE

NOTICE FOR AGM

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of GTL Infrastructure Limited will be held on Tuesday, September 16, 2014, at 2.00 p.m., at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400 703, Maharashtra, India, to transact the following business:

1. To consider and adopt the Balance Sheet as at March 31, 2014, the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Manoj Tirodkar (DIN: 00298407), who retires by rotation and being eligible offers himself for re–appointment.

3. To appoint a Director in place of Mr. Charudatta Naik (DIN: 00225472), who retires by rotation and being eligible offers himself for re–appointment.

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED that M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (FR No.101720W) and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai (FR No. 102489W) be and are hereby appointed as Joint Auditors of the Company to hold office from conclusion of this (11th) Annual General Meeting, till conclusion of the Fifteenth (15th) Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification and re–enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. N. Balasubramanian (DIN: 00288918), a non–executive Director of the Company, who has submited a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed an Independent Director of the Company with effect from September 16, 2014 up to September 15, 2019 and that he shall not be liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification and re–enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Anand Patkar (DIN: 00634761), a non–executive Director of the Company, who has submited a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed an Independent Director of the Company with effect from September 16, 2014 up to September 15, 2019 and that he shall not be liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification and re–enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vinod Agarwala (DIN: 01725158), a non–executive Director of the Company, who has submited a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed an Independent Director of the Company with effect from September 16, 2014 up to September 15, 2019 and that he shall not be liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification and re–enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vijay Vij (DIN: 02245470), a non–executive Director of the Company, who has submited a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed an Independent Director of the Company with effect from September 16, 2014 up to September 15, 2019 and that he shall not be liable to retire by rotation."

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies

Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re–enactment thereof, for the time being in force), Mr. Vikas Vinayak Deodhar (Membership No. 3813) – Cost Accountant, Mumbai, the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED that** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re–enactment thereof, for the time being in force) and all other applicable guidelines on managerial remunerations issued by the Central Government from time to time and subject to the approval of the Central Government, as may be required, the consent of the Company be and is hereby accorded to the re–appointment of Mr. Milind Naik (DIN: 00276884) as a Whole–time Director & Co–Chief Operating Officer of the Company for a period of 3 (three) years with effect from July 21, 2014 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include committee of the Board thereof) to alter and vary terms and conditions of the said re–appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Milind Naik, subject to the same not exceeding the limits specified under Schedule V to the Act or any statutory modification(s) or re–enactment thereof.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, things and take all such steps as may be deemed necessary, proper or expedient, including settlement of any doubt, for giving effect to this resolution."

11. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED that** further to the Ordinary Resolution passed by the Members of the Company in their Annual General Meeting held on August 25, 2010 in accordance with erstwhile provisions of Section 293 (1) (d) and other applicable provisions, if any, of the erstwhile Companies Act, 1956, pursuant to provisions of Section 180 (1) (c) of the Companies Act, 2013 (the "Act"), and subject to the consent of the CDR / other Lenders, as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, (hereinafter referred to as the "Board") to borrow any sum or sums of money, from time to time with / without security and upon such terms and conditions as the Board may, in its absolute discretion, think fit and proper, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, (that is to say, free reserves as defined in the Act), provided, however, that the total amount of such borrowings shall not exceed, at any time, the sum of ₹ 25,000 Cr. (Rupees Twenty Five Thousand Crores only) or equivalent amount in any other foreign currency, borrowed and to be borrowed from Indian / Foreign Banks / Financial Institutions / Mutual Funds / Development Agencies / CDR Lenders / Foreign Currency Lenders / FCCB holders and / or other entities."

12. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED that** pursuant to Sections 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013, including the rules made there under and any amendments, statutory modifications and / or re–enactment thereof for the time being in force (the "Act"), all other applicable laws and regulations including the Foreign Exchange Management Act, 1999 ("FEMA"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 including any statutory modifications or re–enactment thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and modified from time to time and such other statues, notifications, clarifications, circulars, rules and regulations as may be applicable, as amended from time to time, issued by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), Stock Exchanges, the Securities and Exchange Board of India ("SEBI") including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") and any other appropriate authorities, as may be applicable and in accordance with the enabling provisions in the Memorandum and Articles of Association of the Company and / or stipulated in the Listing Agreements entered into by the Company with the Stock Exchanges where the Equity Shares / Securities of the Company are listed and if required with such approvals, consents, permissions and sanctions, as may be required of the GOI, SEBI, RBI, Stock Exchanges, CDR / other Lenders and any other relevant statutory / governmental authorities (the "concerned Authorities") as may be required and applicable and further subject to such terms and conditions as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, consents, permissions and sanctions as may be necessary, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee(s) constituted / to be constituted by the Board to exercise the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and / or competitive basis, of such part of issue and for such categories of persons as may be permitted), Equity Shares and / or Equity Shares through depository receipts including American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and / or Foreign Currency Convertible Bonds (FCCBs), Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), and / or other securities convertible into Equity Shares at a later date, at the option of the Company and / or the holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (collectively referred as "Securities"), as the Board in its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public or private offerings in domestic and / or one or more international market(s), with or without a green shoe option, or issued / allotted through Qualified Institutions Placement in accordance with the SEBI Regulations, or by any one or more combinations of the above or otherwise and at such time or times and in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible investors, including residents and / or non–residents and / or qualified institutional buyers and / or institutions / banks and / or incorporated bodies and / or individuals and / or trustees and / or stabilizing agent or otherwise, whether or not such Investors are Members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹ 4,000 Cr. (Rupees Four Thousand Crores Only) on such terms and conditions and in such manner as the Board may in its sole discretion decide including the timing of the issue(s) / offering(s), the Investors to whom the Securities are to be issued, terms of issue, issue price, number of Securities to be issued, the Stock Exchanges on which such securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received including details on face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the ratio / number of Equity Shares to be allotted on redemption / conversion, period of conversion, fixing of record date or book closure dates etc., as the case may be applicable, prescribe any terms or a combination of terms in respect of the Securities in accordance with local and / or international practices including conditions in relation to offer, early redemption of Securities, debt service payments, voting rights, variation of price and all such terms as are provided in domestic and / or international offerings and any other matter in connection with, or incidental to the issue, in consultation with the merchant bankers or other advisors or otherwise, together with any amendments or modifications thereto ("the Issue").

RESOLVED FURTHER that the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the Equity Shares to be allotted in terms of this resolution shall rank pari–passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER that if the issue or any part thereof is made for a QIP, FCDs, PCDs, OCDs or any other Securities, which are convertible into or exchangeable with the Equity Shares of the Company (hereinafter collectively referred as "Other Specified Securities" and together with Equity Shares of the Company referred as "Specified Securities" within the meaning of the SEBI Regulations) or any combination of Specified Securities as may be decided by the Board, issued for such purpose shall be fully paid–up and the allotment of such Specified Securities shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI Regulations and the Specified Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized Stock Exchange, or as may be permitted from time to time under the SEBI Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

RESOLVED FURTHER that in the event of issue of Specified Securities by way of a QIP, the 'Relevant Date' on the basis of which the price of the Specified Securities shall be determined as specified under SEBI Regulations, shall be the date of the meeting in which the Board decides to open the proposed issue of Specified Securities or such other time as may be decided by the Board and as permitted by the SEBI Regulations, subject to any relevant provisions of applicable laws, rules and regulations as amended from time to time, in relation to the proposed issue of the Specified Securities.

RESOLVED FURTHER that in the event the Securities are proposed to be issued as American Depository Receipts ("ADRs") or Global Depository Receipts ("GDRs"), pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Equity Shares to be issued pursuant to such issue shall be the date of the meeting in which the Board decides to open such issue after the date of this resolution.

RESOLVED FURTHER that in the event of issue of Other Specified Securities, the number of Equity Shares and / or conversion price in relation to Equity Shares that may be issued and allotted on conversion shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring exercise.

RESOLVED FURTHER that without prejudice to the generality of the above, the aforesaid issue of Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevalent market practices in the capital markets including but not limited to the terms and conditions relating to variation of the price or period of conversion of Other Specified Securities into Equity Shares or for issue of additional Securities and such of these Securities to be issued, if not subscribed, may be disposed of by the Board, in such manner and / or on such terms including offering or placing them with banks / financial institutions / mutual funds or otherwise, as the Board may deem fit and proper in its absolute discretion, subject to applicable laws, rules and regulations.

RESOLVED FURTHER that for the purpose of giving effect to the above resolution and any issue, offer and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds, matters and things connected therewith, as it may, in its absolute discretion deem necessary, desirable or incidental thereto including without limitation the determination of terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, the entering into and executing arrangements / agreements for managing, underwriting, marketing, listing of Securities, trading, appointment of Merchant Banker(s), Advisor(s), Registrar(s), paying and conversion agent(s) and any other advisors, professionals, intermediaries and all such agencies as may be involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions whether in India or abroad, for the issue and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to prospectus and / or letter of offer and / or circular, documents and agreements including conducting all requisite filings with GOI, RBI, SEBI, Stock Exchanges, if required and any other concerned authority in India or outside, and to give such directions that may be necessary in regard to or in connection with any such issue, offer and allotment of Securities and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit, without being required to seek any further consent or approval of the Members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, and accordingly any such action, decision or direction of the Board shall be binding on all the Members of the Company; provided however that the proceeds received, if any, by the Company will be utilised to repay CDR Lenders, Foreign Currency Lenders, FCCB holders, other creditors, wages / dues of employees, statutory dues and primarily to cut debt of the Company.

RESOLVED FURTHER that for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and / or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company for giving effect to the aforesaid resolution and thereby such Committee of Directors or one or more such Directors, as authorized, are empowered to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modifications as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in this regard."

By Order of the Board of Directors

Nitesh Mhatre
Joint Company Secretary

Place: Mumbai
Date: May 21, 2014

Registered Office:
3rd Floor, 'Global Vision',
Electronic Sadan No. II, M.I.D.C,
T.T.C. Industrial Area, Mahape,
Navi Mumbai – 400 710
Tel: +91 22 2767 3500; Fax: +91 22 2767 3666
E–mail: gilshares@gtlinfra.com; Website: www.gtlinfra.com
CIN: L74210MH2004PLC144367

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 (forty–eight) hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolution/ authority, as applicable.

2. A person can act as proxy on behalf of Member not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, provided that a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

3. In case of joint holders attending the Meeting, only joint holder who is higher in the order of names will be entitled to vote.

4. An Explanatory Statement pursuant to Section 102 (1) of the

Companies Act, 2013, in respect of business under Item No. 5 to Item No. 12 to be transacted at the 11th Annual General Meeting is annexed hereto.

5. The Register of Members and the Share Transfer Books of the Company shall remain closed on Friday, September 12 , 2014 for the purpose of Annual General Meeting.

6. All documents referred in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except saturdays, sundays and holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the Annual General Meeting.

7. Members holding shares in physical form are requested to notify, any change in their name, address, e–mail address, Bank Account details, nominations, power of attorney, etc., to the Share Transfer Agent at GTL Limited–Investor Service Centre, Unit: GTL Infrastructure Ltd., 'Global Vision', Electronic Sadan No. II, M.I.D.C., T.T.C. Industrial Area, Mahape, Navi Mumbai – 400 710. Members holding shares in electronic form should update such details with their respective Depository Participants.

8. Members holding shares in physical form are requested to get their shares dematerialized by approaching their respective Depository Participants, if they are already operating a Demat Account. Members who have not yet opened a Demat Account are requested to open an account and dematerialize their shares, as the shares of the Company are compulsorily traded in electronic form. For any assistance or guidance for dematerialization, Members are requested to contact the Share Transfer Agent, GTL Limited or send an email to gilshares@gtlinfra.com.

9. Members are requested to forward their queries on Annual Accounts or other sections of the Annual Accounts or other Sections of the Annual Report to the Joint Company Secretary at least 10 days in advance.

10. The Company's Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Further, the Listing Fees in respect of Equity Shares of the Company have been paid to BSE and NSE for the Financial Year 2014–15. The Company's FCCBs are listed on Singapore Exchange Securities Trading Limited (SGX).

11. In order to minimize paper cost / work, members / investors are requested to forward their queries pertaining to Annual Accounts and other Sections of Annual Report by e–mail to gilshares@gtlinfra.com.

12. Members / proxies are requested to bring the attendance slips duly filled in and signed for attending the Annual General Meeting.

13. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

14. In keeping with the Ministry of Corporate Affairs 'Green Initiative" in April 2011 by allowing paperless compliances by companies through electronic mode and also in keeping with the provisions of the Companies Act, 2013, the Listing Agreement with Stock Exchanges, for the purpose of sending Notices and other documents to its Members through electronic mode to the email address furnished to the Company / Depositories, Members who have so far not provided their email addresses to the Company (for holdings in physical form) or the Depositories (for holdings in electronic form) are requested to provide the same to the Company / Depository Participant respectively, in support of this initiative and for savings on paper / printing & postage. Members are further requested to note that they shall be entitled to be furnished free of cost with a physical copy of such documents sent by email upon receipt of a requisition from such Members.

15. Voting through electronic means (EVSN 140804022):

In compliance with the provision of Section 108 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e–voting facility as an option to all the Members of the Company to exercise their right to vote at the 11th Annual General Meeting (AGM). The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating the e–voting.

The Company is issuing simultaneously, the Notice for the 11th Annual General Meeting (AGM) as well as Notice of Postal Ballot; both dated May 21, 2014 in the same cover along with the Annual Report for 2013–14. As e–voting is applicable in both the events viz. AGM and Postal Ballot, the Members are requested to refer to the "Sequence No." printed on the Postal Ballot Form for e–voting.

The procedure in detail is explained as under:

i. The voting period begins on Wednesday, September 10, 2014 at 09.00 A.M. and ends on Friday, September 12, 2014 at 06.00 P.M. During this period members of the Company holding shares, either in physical form or in dematerialized form, as on the cut–off date (record date) of Friday, August 08, 2014, may cast their vote electronically. The e–voting module shall be disabled by CDSL for voting thereafter.

   - Open your web browser during the voting period & log on to the e–Voting website www.evotingindia.com

ii. Click on the "Shareholders" tab and now enter your User ID (Member ID) :

   - For CDSL: 16 digits beneficiary ID – Example: 1234567812345678
   - For NSDL: 8 characters DP ID followed by 8 digits Client ID – Example: IN30000112345678
   - Members holding shares in physical form should enter Folio Number registered with the Company which is typically all numeric (upto 7 digits) or alpha–numeric (upto 7 characters) Example: 0123456, A001011

iii. Next enter the Image Verification as displayed and Click on Login.

iv. If you are holding shares in demat form and had logged on to www.evotingindia.com and have earlier voted in e–voting for any other company, then your existing password can be used. If you have forgotten the password, refer Point No. 'xiv' below.

v. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form		
PAN	:	Enter your 10 digit alpha–numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number printed on the accompanying Postal Ballot Form in the PAN field.
		In case the Sequence Number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Example: If your name is Ramesh Kumar with Sequence Number 0000001 then enter RA00000001 in the PAN field.
DOB	:	Enter your Date of Birth as recorded in your Demat Account or with the Company records for the said demat account or folio in dd/mm/yyyy format.
		OR
Dividend Bank Details	:	Enter the Dividend Bank Details as recorded in your demat account or in the Company records.
• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank Details field.		

After entering these details appropriately, click on "SUBMIT".

vi. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e–voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vii. For Members holding shares in physical form, the details can be used only for e–voting on the resolutions contained in this Notice.

viii. Click on the **EVSN** of "GTL Infrastructure Limited" which is **140804022.**

ix. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

x. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xi. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. Further, the members who have cast their vote electronically shall not be allowed to vote again at the meeting.

xiii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xiv. If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xv. Note for Non–individual Members & Custodians

- Non–individual members (i.e. other than Individuals, HUF, NRI etc.) & Custodians are required to log on to https://www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user using the admin login & password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xvi. In case you have any queries or issues regarding e–voting, you may refer the Frequently Asked Questions ("FAQs") and e–voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or gilshares@gtlinfra.com.

16. Mr. Chetan A. Joshi, a practicing Company Secretary (Membership No. ACS 20829) has been appointed as the Scrutinizer to scrutinize the e–voting process in a fair and transparent manner.

17. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e–voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman / the Whole–time Director of the Company.

18. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

19. The results declared along with the Scrutinizer's Report will be hosted on the Company's website at www.gtlinfra.com and on CDSL's website within 2 (two) days of the meeting for information of the Members, besides being communicated to the Stock Exchanges on which the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 5 to 8

As per Section 149(5) of the Companies Act, 2013, the Company is required to appoint Independent Directors under Section 149(4) within a period of one year from April 1, 2014 i.e. the date of commencement of the said section and Rules made there under. Since the Company had already appointed Mr. N. Balasubramanian, Mr. Anand Patkar, Mr. Vinod Agarwala and Mr. Vijay Vij as Non–Executive Independent Directors subject to retirement by rotation in the past, in terms of the erstwhile Companies Act, 1956 and the Listing Agreement with the Stock Exchanges, the Nomination and Remuneration Committee after consideration has recommended to re–appoint the above referred directors as Non–Executive Independent Directors within the meaning of Sections 149 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years from September 16, 2014 to September 15, 2019.

The Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013, from Members along with a deposit of requisite amount proposing the candidatures of Mr. N. Balasubramanian, Mr. Anand Patkar, Mr. Vinod Agarwala and Mr. Vijay Vij for the offices of Independent Directors, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. N. Balasubramanian, Mr. Anand Patkar, Mr. Vinod Agarwala and Mr. Vijay Vij (i) consents in writing to act as director in Form DIR – 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimations in Form DIR – 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under sub–section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub–section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. N. Balasubramanian, Mr. Anand Patkar, Mr. Vinod Agarwala and Mr. Vijay Vij, the Independent Directors proposed to be appointed, fulfil the conditions specified in the Companies Act, 2013 and the Rules made there under and they are independent of management.

A copy of draft letters for the appointment of Mr. N. Balasubramanian, Mr. Anand Patkar, Mr. Vinod Agarwala and Mr. Vijay Vij as an Independent Directors are available for inspection without any fee by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the Annual General Meeting.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Brief resumes of Mr. N. Balasubramanian, Mr. Anand Patkar, Mr. Vinod Agarwala and Mr. Vijay Vij, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter–se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

The Board considers that their continued association would be of immense benefit to the Company and it is desired to continue to avail the services of Mr. N. Balasubramanian, Mr. Anand Patkar, Mr. Vinod Agarwala and Mr. Vijay Vij as an Independent Directors.

Mr. N. Balasubramanian, Mr. Anand Patkar, Mr. Vinod Agarwala and Mr. Vijay Vij are interested in the resolutions set out respectively at Item Nos. 5, 6, 7 and 8 of the Notice, which pertains to their respective appointments as Independent Directors.

The relatives of Mr. N. Balasubramanian, Mr. Anand Patkar, Mr. Vinod Agarwala and Mr. Vijay Vij may be deemed to be interested in the resolutions set out at Item Nos. 5 to 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The Board commends passing of the Ordinary Resolutions set out in Item Nos. 5 to 8 of the accompanying Notice.

Save and except the above, none of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the said resolutions.

Item No. 9

On the recommendation of Audit Committee, the Board of Directors of the Company in its meeting held on May 21, 2014 has approved the appointment and remuneration of Mr. Vikas Vinayak Deodhar, Cost Accountant, Mumbai to conduct the cost audit of the cost records of the Company for its provisioning of passive infrastructure activity for the financial year ending March 31, 2015 at a remuneration of ₹ 2 Lac plus reimbursement of out of pocket expenses and Service Tax as applicable.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the accompanying Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

The Board commends passing of the Special Resolution set out in Item Nos. 9 of the accompanying Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the said resolution.

Item No. 10

The Board of Directors of the Company ("the Board") at its meeting held on May 21, 2014 has, subject to the approval of the Members and the Central Government, as may be required, re–appointed Mr. Milind Naik as Whole–time Director of the Company for a period of 3 (three) years from expiry of his present term, which will expire on July 20, 2014, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek Members' approval for the re–appointment of and remuneration payable to Mr. Milind Naik as Whole–time Director and Co–Chief Operating Officer, in terms of the applicable provisions of the Companies Act, 2013 (the "Act").

The salient features of the appointment and remuneration payable to Mr. Milind Naik are as under:

Period: July 21, 2014 to July 20, 2017.

Remuneration: ₹ 750,000/– p.m. (in the scale of ₹ 750,000/– p.m. to ₹ 1,050,000/– p.m.)

Other Benefits: As may be decided by the Board from time to time, subject to the condition that the same shall be within the remuneration limits stated above.

Other terms: The Company's contribution to Provident Fund or Group Gratuity or Annuity Fund to the extent not taxable under the Income Tax Act, Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of limits of the remuneration.

Minimum Remuneration: During the currency of the tenure of the Whole–time Director, if the Company has no profits or its profits are inadequate in any financial year, the Company shall pay remuneration as stated herein above by way of salary, dearness allowances, perquisites and other allowances as the minimum remmueration.

Accordingly, in terms of the sub clause (iv) of proviso (B) of Section II of Schedule V, the following information is furnished in connection with the appointment of Mr. Milind Naik:

i. **GENERAL INFORMATION:**

1. **Nature of Industry:** The Company is engaged in the business of providing passive shared infrastructure to various telecom operators.
2. **Date or expected date of commencement of commercial production:** The Company has already commenced its activity in the last quarter of the financial year ended March 31, 2005.
3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus:** Not applicable. Please refer serial number 2 above.
4. **Financial performance based on given indicators:**

₹ in Crores

Particulars	FY 2013–14	FY 2012–13
Total Income	615.44	570.92
PBDIT	276.44	283.53
Depreciation	389.03	486.43
PBIT	(112.59)	(202.90)
Interest and Finance Charges (Net)	377.76	350.53
Profit / (Loss) Before Exceptional Items & Tax	(490.35)	(553.43)
Exceptional Item	60.00	133.21
Profit / (loss) before tax	(550.35)	(686.64)
Provision for Taxation	0.89	–
Net Profit / (Loss)	(551.24)	(686.64)

Figures regrouped / reclassified wherever necessary to make them comparable.

5. **Export performance and net foreign exchange collaborations:** Nil
6. **Foreign investments or collaborators, if any:** Nil

ii. **INFORMATION ABOUT APPOINTEE:**

1. **Background details:** Mr. Milind Naik, Whole–time Director has over 29 years of experience in the field of accounts, banking & finance, treasury operations, foreign exchange, telecom turnkey project implementation, manufacturing of steel structures for telecom, transmission, wind energy and infrastructure industries, R & D and manufacturing of energy management solutions (EMS) for telecom operator's, EPC in EMS & renewable energy, procurement &

logistics, taxation and administration. In the past he has worked with Syndicate Bank, Bank of India and Saraswat Co–op. Bank Ltd before joining Global Group in 1984. Before joining the Company, he worked as a Managing Director of Global Towers Ltd., a Global Group Company. He has enormous experience within the country as well as abroad.

During last 3–4 years, the Company was dealing with several challenges faced by telecom industry on financial, revenue and profitability front on one side and regulatory policies on other side. In this difficult phase, under the able leadership and guidance of Mr. Milind Naik, the Company could withstood these turbulent times.

2. **Past Remuneration:** Mr. Milind Naik was appointed as Whole–time Director and Co–Chief Operating Officer on July 21, 2011 and has drawn a remuneration of ₹ 28.84 Lacs for FY 2011–12, ₹ 47.25 Lacs for FY 2012–13 and ₹ 47.29 Lacs for FY 2013–14 against the apporved remuneration of ₹ 1 Cr. per annum from the Members in their Annual General Meeting held on December 27, 2011.

3. **Recognition or awards:** Mr. Naik has been awarded the 'Manufacturing Icon Award' for the FY 2010–11 from Stars of Industry Group in the Indian Innovation Summit 2011.

4. **Job profile & his suitability:** Mr. Naik, as Whole–time Director of the Company will be in charge and responsible for business operations. With his vast experience of over 29 years in the telecom industry including at senior levels in established companies, he is found suitable for the position.

5. **Remuneration proposed:** ₹ 750,000/– p.m. (in the scale of ₹ 750,000/– p.m. to ₹ 1,050,000/–p.m.)

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):** The following are the particulars furnished by some of the telecom infrastructure companies for the Financial Year 2012–2013 under Section 217 (2A) of the erstwhile Companies Act, 1956 in their Annual Reports:

Sr. No.	Designation	Per annum Remuneration ₹ in Crore
1	Managing Director	6.36
2	Chief Executive Officer	1.93–2.01
3	Chief Operating Officer	2.19–2.80

The Company and its associate company (Chennai Network Infrastructure Limited) are major independent telecom infrastructure provider having Pan India operations in all 22 telecom circles having combined tower portfolio of 27, 839. Thus, theproposed remuneration of Mr. Naik is justifiable.

7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Apart from his employment and holding of 19,000 equity shares in the Company, Mr. Naik does not have any other pecuniary relationship with the Company or with any other managerial personnel.

iii. **OTHER INFORMATION:**

1. **Reasons of loss or inadequate profits:** The Company is in the business of providing passive shared infrastructure to various telecom operators. This is capital intensive in nature. During the last 3–4 years, the entire telecom sector was facing turbulent times due to various factors, which includes 2G scam, cancellation of 2G licens by Hon'ble Supreme Court, slower 3G and BWA growth, failed spectrum auction, negligible roll outs by operators etc. These all resulted in slowdown in incremental tenancies on the Company's towers. Further, increase in interest rates has resulted in increased operative cost. Moreover, the Company's business prospects were affected adversely as Aircel Limited failed to keep its commitment of providing additional 20,000 tenancies in the period of 3 years starting from 2010–11. These factors affected Company's cash flows and in turn the Company is incurring huge losses.

2. **Steps taken or proposed to be taken for improvement:** The Company has withstood last 3–4 years of turbulent times and gearing up for taking up growth path. The long pending rollout and expansion plans of operators are slowly developing into reality with operators pushing for 3G rollouts and 2G expansions. LTE (4G) is also on threshold of going commercial. This all resulted in some improvement in incremental in tenancies of the Company. Considering this positive atmosphere, the Company has also taken various steps to increase its tenancy ratio. In some of the circles, the Company has already achieved tenancy ratio of 2. The Company is also in dialog with two of the prominent operators for getting commitment of over 3,000 tenants in this financial year for their 4G rollout. In addition to this, the Company expects tenants from other 2G operators during this financial year.

The Company is also taking various proactive steps for rationalizing the network costs like security, Operations and Maintenance, Equipment AMC, Energy cost including electrification at sites. The Company has enhanced its focus on reduction of diesel consumption at telecom tower sites through several initiatives of energy efficiency and fuel savings. Further trials of various green energy solutions are carried out through pilot deployment of solar, deep discharge and Lithium ion batteries which have technological superiority.

The Company expects these efforts will reduce the network cost in immediate and long term basis and bring efficiency on the network.

Further, the Company is also contemplating bi–lateral / multi–lateral settlements, either one–time, negotiated or otherwise, with the Lenders, that may also require either raising alternative mode of finance at lower rates of interest, thereby reducing interest burden on the Company.

3. **Expected increase in productivity and profits in measurable terms:** As a result of expected increase in revenue and reduction of cost and interest, the EBIDTA of the Company will also improve and bring efficiency in the network performance.

iv. **DISCLOSURES:** The following disclosures have been detailed in the Corporate Governance Report attached to the Directors Report.

1. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc of all the directors;
2. Details of fixed component and performance linked incentives along with the performance criteria;
3. Service contracts, notice period, severance fees, if any;
4. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

In view of qualifications and varied experience possessed by Mr. Milind Naik, consent of the Members is sought for passing a Special Resolution as set out at Item No. 10 of the accompanying Notice for re–appointment of Mr. Milind Naik as Whole–time Director and Co–Chief Operating Officer for a period of 3 (three) years at a remuneration as set out above.

Mr. Milind Naik is interested in the resolution set out at Item No. 10 of the Notice, which pertains to his re–appointment as Whole–time Directors and Co–Chief Operating Officer and remuneration thereof.

The relatives of Mr. Milind Naik may be deemed to be interested in the resolution set out at Item No. 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The Board commends passing of the Special Resolution set out in Item No. 10 of the accompanying Notice.

Save and except the above, none of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the said resolution.

Item No. 11

The Company already has approval of the members of the Company under Section 293(1)(a) of the erstwhile Companies Act, 1956 whereupon the borrowing limit of the Company was set at ₹ 25,000 Cr.

Under Section 180 of the Companies Act, 2013 ("the Act"), notified as on September 12, 2013, the powers of the Board are required to be exercised only with the consent of the Company by a Special Resolution. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolution passed under Sections 293(1)(d) of the erstwhile Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification of Section 180 of the Act.

The members are aware that the Company is currently under Corporate Debt Restructuring (CDR) mechanism wherein it has already borrowed monies from different sets of lenders and as such currently there is no fresh proposal for further borrowings except for an eventuality when the Company may contemplate bi–lateral / multi–lateral settlements, either one time, negotiated or otherwise, with the Lenders, that may require raising alternative mode of finance at lower rates of interest, but within the existing limits of the borrowings. All actions will be taken with necessary consents from such lenders as may be applicable under CDR process. The proceeds received, if any, by the Company will be utilized to repay CDR Lenders, Foreign Currency Lenders, FCCB holders and other creditors.

Under Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot, except with the consent of the members, borrow in excess of the aggregate of the share capital and free reserves of the Company. Presently, the Board of Directors is entitled to borrow up to ₹ 25,000 Cr. (Rupees Twenty Five Thousand Crores only) or equivalent amount in any other foreign currency and thus it was thought appropriate for seeking approval of the members for the same amount under the new provisions of Section 180(1)(c) of the Companies Act, 2013.

The Board commends passing of the Special Resolution set out in Item No. 11 of the accompanying Notice.

Save and except for their shareholding in the Company, if any, none of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the said resolution.

Item No. 12

As a corrective measure, to overcome the CDR scenario, the Company is contemplating bi–lateral / multi–lateral settlements, either one–time, negotiated or otherwise, with the Lenders, that may also require either raising alternative mode of finance at lower rates of interest or tapping capital market for raising equity or debt, convertible or otherwise, at cheaper rates and replacing higher interest bearing domestic debts thereby reducing the debt and lowering the interest burden. All actions will be taken with necessary consent from such lenders as may be applicable under CDR process. The proceeds received, if any, by the Company will be utilized to repay CDR Lenders, Foreign Currency Lenders, FCCB holders, other creditors and other due as the case may be.

The proposed issue, offer and allotment of Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible Debentures and such other securities as stated in the resolution (the "Securities") at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering prevalent market conditions and other relevant factors and wherever necessary, in consultation with Merchant Bankers, Advisors, Underwriters etc., inclusive of such premium, as may be determined by the Board in one or more tranche(s), subject to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended (the "SEBI Regulations") and other applicable laws, rules and regulations.

The resolution enables the Board to issue securities for an aggregate sum not exceeding ₹ 4,000 Cr. (Rupees Four Thousand only) or its equivalent in any foreign currency.

The Board shall issue Securities pursuant to this special resolution to meet long term working capital and capital expenditure requirements of the Company besides strengthening the Balance Sheet of the Company including repayment of debt, tap acquisition opportunities, usage for business ventures / projects and other general corporate purposes.

The special resolution also authorizes the Board of Directors of the Company to undertake a Qualified Institutions Placement with Qualified Institutional Buyers (QIBs) in the manner as prescribed under Chapter VIII of the SEBI Regulations for raising capital. The pricing of the Specified Securities to be issued to QIBs pursuant to the said SEBI Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the relevant provisions of the said SEBI Regulations.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Merchant Bankers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevalent market conditions from time to time and in accordance with the applicable provisions of law, rules and regulations and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue / allotment / conversion of Securities would be subject to the receipt of regulatory approvals, if any. Further the conversion of Securities held by foreign investors, into Equity Shares would be subject to the permissible foreign shareholding limits / cap specified by Reserve Bank of India from time to time.

Pursuant to the provisions of Section 41, 42, 62 and 71 of the Companies Act, 2013 (the "Act") including any rules made there under and any other provision of the Act, as may be applicable and the relevant provisions of the listing agreement with the stock exchanges and any other applicable laws, the issue of securities comprising equity shares, foreign currency convertible bonds, ADRs, GDRs, non–convertible debentures and / or issue of debentures on private placement, convertible debentures, etc, will require the prior approval of the Members by way of a Special Resolution.

The Special Resolution as set out in Item No. 12, if passed, will have the effect of permitting the Board to issue and allot Securities to Investors, who may or may not be existing Members of the Company in the manner as set out in the said Resolution.

The Board commends passing of the Special Resolution set out in Item No. 12 of the accompanying Notice.

Save and except for their shareholding in the Company, if any, none of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in passing of the said resolution.

By Order of the Board of Directors

Nitesh Mhatre
Joint Company Secretary

Place: Mumbai
Date: May 21, 2014

Registered Office:
3rd Floor, 'Global Vision',
Electronic Sadan No. II, M.I.D.C,
T.T.C. Industrial Area, Mahape,
Navi Mumbai – 400 710.
Tel: +91 22 2767 3500
Fax: +91 22 2767 3666
E–mail: gilshares@gtlinfra.com
Website: www.gtlinfra.com
CIN: L74210MH2004PLC144367

NOTES

GTL INFRASTRUCTURE LIMITED

Regd. Office: "Global Vision", 3rd Floor, Electronic Sadan–II, MIDC, TTC Indl. Area,
Mahape, Navi Mumbai – 400 710, Maharashtra, India.
Tel.: +91 22 2767 3500 **Fax**: +91 22 2767 3666.
E–mail: gilshares@gtlinfra.com **Website**: www.gtlinfra.com **CIN**: L74210MH2004PLC144367

ATTENDANCE SLIP

Folio No./ DP ID & Client ID.: .... No. of Shares: ....

NAME AND ADDRESS OF THE MEMBER:

....

....

....

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

I certify that I am a registered member / proxy for the registered member of the Company.

I hereby record my presence at the Eleventh Annual General Meeting of the Company being held on Tuesday, September 16, 2014 at 2.00 p.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai – 400 703.

....

Name of the attending Member / Proxy* Member's / Proxy's* Signature

* Strike out whichever is not applicable

GLOBAL Group Enterprise

GTL INFRASTRUCTURE LIMITED

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FORM NO. MGT – 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): ....

Registered address: ....

E–mail Id: ....

Folio No / DP ID & Client Id : ....

I / We, being the member(s) holding.. shares of the above named Company, hereby appoint:

1. Name: ....

   Address: ....

   E–mail Id:..., or failing him

2. Name: ....

   Address: ....

   E–mail Id:..., or failing him

3. Name: ....

   Address: ....

   E–mail Id:...

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Eleventh Annual General Meeting of the Company, to be held on Tuesday, September 16, 2014 at 2.00 p.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400 703 and at any adjournment thereof in respect of such resolutions as are indicated below:

P.T.O.

Resolution Nos.:

1. Adoption of Financial Statements and the Reports of Board of Directors and Auditors as at March 31, 2014.
2. Appointment of Mr. Manoj Tirodkar as a Director of the Company, who retires by rotation and being eligible offers himself for re–appointment.
3. Appointment of Mr. Charudatta Naik as a Director of the Company, who retires by rotation and being eligible offers himself for re–appointment.
4. Appointment of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (FR No.101720W) and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai (FR No.102489W) as a Joint Auditors and fixing their remuneration.
5. Appointment of Mr. N. Balasubramanian as an Independent Director.
6. Appointment of Mr. Anand Patkar as an Independent Director.
7. Appointment of Mr. Vinod Agarwala as an Independent Director .
8. Appointment of Mr. Vijay Vij as an Independent Director.
9. Approval of remuneration being paid to Mr. Vikas Vinayak Deodhar – Cost Accountant, Mumbai as a Cost Auditor of the Company.
10. Re–appointment of Mr. Milind Naik as a Whole–time Director & Co–Chief Operating Officer of the Company for a period of 3 years.
11. Approval to the Board of Directors to borrow sums not exceeding ₹ 25,000 Cr.
12. Authority to issue Securities either through public issue or through private placement.

Affix a
15 paise
Revenue
Stamp

Signed this .... day of.................... 2014 ....

Signature of member

.... Signature of first proxy holder

.... Signature of second proxy holder

.... Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

LIST OF BRANCHES IN INDIA

ANDHRA PRADESH
207/208, Navketan Bldg, 62, 2nd Floor,
Sarojini Devi Road, Near Clock Tower,
Secunderabad – 500 003,
Hyderabad, India.

JHARKHAND
Room No. 308, 3rd Floor,
Commerce House, Sharda Babu Street,
Near Hotel Leelac, Ranchi – 834 001,
Jharkhand, India.

ORRISA
1st Floor, Plot No. 760,
M. J. Plaza, Cuttack Road,
Bhubaneshwar – 751 009,
Orissa, India.

ASSAM
3rd Floor, Mayur Garden,
Opp. Rajeev Bhavan, ABC Bus Stop,
Bhangagarh, G.S. Road,
Guwahati – 781 005, India.

KARNATAKA
No. 3 & 5, Connaught Road,
Off Queens Road,
Tasker Town,
Bangalore – 560 052, India.

PUNJAB & HARYANA
E–9, Phase 7,
Industrial Area, SAS Nagar,
Mohali – 160 055,
Punjab, India.

BIHAR
Markandey Complex, 3rd Floor,
Gayatri Mandir Road, Near Paneerwala,
Kankerbagh, Patna – 800 020,
Bihar, India.

KERALA
40/9643, Prabhu Tower,
1st Floor, Opp Chennai Silks,
M. G. Road North, Ernakulam,
Kerala – 682 035, India.

RAJASTHAN
312 to 319, 3rd Floor, Geetanjali Tower,
Civil Lines, Near Bombay Walon Ka Bagh,
Ajmer Road, Jaipur – 302 006,
Rajasthan, India.

COIMBATORE
1168, Sam Surya Towers,
2nd Floor, 4/5 Avinashi Road,
P. N. Palayam,
Coimbatore – 641 037, India.

MADHYA PRADESH
30 Manav Niket, Indira Press Complex,
Zone 1, Near Dainik Bhaskar Press,
M. P. Nagar, Bhopal – 462 001,
Madhya Pradesh, India.

TAMILNADU
Old No. 34/1DL, New No. 403L,
7th Floor, Samson Tower's,
Panthcon Road, Egmore,
Chennai – 600 008, India.

DELHI
3rd Floor,
Palm Court Building,
20/4, Sukhrali Chowk,
Gurgaon – 122 001, India.

MAHARASHTRA
Plot No. 32/33, Phase 1,
Rajiv Gandhi InfoTech Park,
Opp. Persistent Building, Hinjewadi,
Pune – 411 057, Maharashtara, India.

UTTAR PRADESH – EAST
6A, 2nd Floor, Jeet Palace,
Sapru Marg, Hazaratganj,
Lucknow – 226 001,
Uttar Pradesh, India.

GUJARAT
B–303, Baleshwar Square,
Opp. Iscon Temple, S. G. Road,
Ahmedabad – 380 054,
Gujarat, India.

MUMBAI
412–Janmabhoomi Chambers,
29–Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 038.
Maharashtra, India.

UTTAR PRADESH – WEST
1st Floor, Regalia Towers,
301/1, Mangal Pandey Nagar,
Near Kotak Mahindra Bank,
University Road, Meerut – 250 004, India.

JAMMU & KASHMIR
1st Floor, Sunny Square, Commercial
Complex, Near J & K Bank Ltd.,
Gangyal, Srinagar Kashmir,
Jammu – 180 010, India.

NAVI MUMBAI
3rd Floor, "Global Vision", ES–II,
MIDC, TTC Industrial Area,
Mahape, Navi Mumbai – 400 710,
Maharashtra, India.

WEST BENGAL
Cimsys Tower, 3rd Floor, Y–13,
Plot – Ep, Opp – South City Pinnacle,
Sector V, Salt Lake,
Kolkata – 700 091, India.

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