

Corporate Governance



Corporate Governance Report

The Company was promoted by GTL Limited (GTL). As the shareholders are aware, GTL started its operations in telecom products in the mid eighties. In response to the changes in the technology and its operating space, it dynamically re-aligned its business, to emerge as India's largest Network Services Provider to the World.

During the course of its business operations with Telecom Operators and specific large enterprises, GTL realized that they are increasingly exploring the possibilities of Shared Network Services business, as it will reduce the capital expenditure requirement of individual operators and allow them to share the benefits of aggregation of capital investments. Having identified this as a potential growth opportunity, taking into account the capital-intensive nature of the business and the need for segregation of infrastructure assets for shared use by the operators, GTL decided to carry on the activities in a separate company, namely GTL Infrastructure Limited.

Accordingly, the Company is engaged in the business of providing shared infrastructure services in Telecom and related areas, since 2005. Apart from raising financial resources from the debt and equity market and putting in place a senior management team, the Company has signed Contract / MOUs for providing passive infrastructure and is in the process of execution of the projects. It is also in negotiation for developing new sites / acquisition of existing sites from cellular operators.

Both GTL and the Company have also implemented a restructuring exercise and as per the Scheme approved by the Hon'ble High Court of Judicature at Bombay, the Company has issued its shares in the ratio of 1:1 to the shareholders of GTL. This, along with FDI received has resulted in the increase of the paid up equity capital of the Company from Rs 149 Crores (held by GTL and IDFC) to Rs 320 Crores. Accordingly the Company has filed its application with the Bombay Stock Exchange Ltd (BSE) and the National Stock Exchange of India Ltd (NSE) for listing of its shares.

On the above background, though the Company is yet to be listed and Clause 49 of the Listing Agreement is not applicable as on date, with a view to adhere to good Corporate Governance Practices, it thought it fit to put in place a Corporate Governance System and give a report on compliance with Clause 49 of the Listing Agreement of the Stock Exchanges.

Certificate of Auditors on Corporate Governance

To the Members of
GTL Infrastructure Limited

We have been informed by GTL Infrastructure Limited (GIL), having its registered office at Electronic Sadan I, MIDC, TTC Industrial Area, Mahape, Navi Mumbai - 400710, that the Company has filed application for listing of its shares with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) and is yet to be listed on the said Exchanges and as such, Clause 49 of the Listing Agreement is not applicable to the Company; nonetheless, the Company has prepared a Report on Corporate Governance on the lines of Clause 49 of the Listing Agreement of the Stock Exchanges and by their letter of August 11, 2006 has asked to certify the compliance of conditions of Corporate Governance.

In the lights of the said appointment, we have examined the compliance of conditions of Corporate Governance by the Company for the Fifteen Months Period ended on June 30, 2006, as stipulated in Clause 49 of the Listing Agreement, as would be entered into by the Company with the Stock Exchange(s).

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

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

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

PLACE: MUMBAI
DATED: AUGUST 11, 2006

For BANSI S. MEHTA & CO.,
Chartered Accountants

PARESH.H.CLERK
Partner
Membership No. 36148

Certificate of Practicing Company Secretary on Secretarial Compliance

To
The Board of Directors,
GTL Infrastructure Limited.

We have examined the registers, records, books and papers of GTL Infrastructure Limited ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act"), the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company ("the requirements") for the year ended June 30, 2006. Based on our examination as well as information and explanation furnished by the Company to us and the records made available to us, we hereby report that:

1. The requisite statutory registers and other records required under the Act and the Rules made 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 there under 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. The appointments of additional Directors have been made in accordance with the requirements of the Act. There was only one retirement of a Director who was re-elected in the last Annual General Meeting.
5. Due disclosures under the requirements of the statutes have been made by the Company. The Company has also complied with the requirements in pursuance of the disclosures made by its Directors.
6. The issue and allotment of shares are in conformity with the requirements of the Act.
7. 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.
8. The Company has complied with the provisions of section 372A in respect of investments made during the financial year ending on June 30, 2006.
9. The Company has, wherever required, obtained the necessary approvals of the Board, Committee thereof, shareholders, the Central Government or any other authorities as per the requirements of the Act.
10. The Company has not defaulted in any of the provisions given under Section 274 (1) (g) of the Act, which would otherwise disqualify the Directors of the Company from acting as a Director of any other Company. It may be stated that the Company has not accepted any Fixed Deposits. The Annual Returns and the Annual Reports have been filed as required under the Act.
11. The Company has obtained the approval of the Bondholders and Reserve Bank of India and has adhered to other formalities for splitting of the Foreign Currency Convertible Bonds issued by GTL Limited, as approved by the Hon'ble High Court of Judicature at Bombay.
12. 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.
13. The Company has allotted options under the ESOP Schemes for its employees and during the year under review, the Company has complied with the relevant provisions of Employee Stock Option Scheme and Employee Stock Purchase Scheme Rules, 2002 in respect of ESOP scheme of the Company.

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

V.Ravikumar
Practising Company Secretary
FCS: 4568 / CP: 5213

Mumbai, August 11, 2006

Corporate Governance Report

Certificate of Whole-Time Director and Chief Financial Officer Under Clause 49 of the Listing Agreement

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

- (a) We have reviewed financial statements and the cash flow statement for the fifteen months period ended June 30, 2006 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: August 11, 2006

Prakash Ranjalkar
Whole-time Director

Shishir Parikh
Chief Financial Officer

Information on Directors' Appointment / Re-appointment

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

Mr. Lee Sek Hong (Michael Lee), Independent Director.

Mr. Lee has been a Member of the Board since August 8, 2005. He retires by rotation in the ensuing Annual General Meeting and is eligible for re-appointment.

A Science Graduate from Acadia University of Canada, he has more than 20 years of experience in the technology service industry. He was the Managing Director of GE Information Services, South East Asia Operations, with overall responsibility for the company's sales, services and acquisitions in the region. He has expertise in strategic business planning, systems design and operation management.

He holds Directorship in GlobalCom Information Services Pte. Ltd. Singapore. In GTL Infrastructure Limited, he is a Member of Nomination & Remuneration Committee of the Board. He does not hold any shares of the Company.

Mr. Charudatta Naik, Non-Independent Director.

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

Mr. Naik is an engineer in Electronics & Telecom and has an overall experience of 16 years in various telecom and system integration companies. He has played a vital role in introducing Fourth Generation Voice Switches and First Private Feature Transparent Network in India. He is the Chief Operating Officer of GTL Limited.

He holds Directorship in SEZ Consultancy Services Ltd. In GTL Infrastructure Limited, he is a Member of Audit Committee of the Board. He holds 33,950 equity shares of the Company. He also holds 500,000 options under Employees Stock Option Scheme of the Company.

Mr. S.S. Dawra, Independent Director.

Mr. Dawra was appointed as an Additional Director in the Board Meeting held on August 1, 2006. As such he holds office up to the date of the ensuing Annual General Meeting.

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

He holds Directorship in Food Corporation of India and HDIL. He is a Member of Audit Committee of HDIL. He is also holding the position of Chairman, Punjab Revenue Commission, Chandigarh. He does not hold any shares of the Company.

Mr. Deepak Vaidya, Independent Director

Mr. Vaidya was appointed as an Additional Director in the Board Meeting held on August 1, 2006. As such he holds office up to the date of the ensuing Annual General Meeting.

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

He is Chairman of Strides Arcolab Ltd and Director of Orchid Chemicals & Pharmaceuticals Ltd, Apollo Hospitals Enterprise Ltd, PPN Power Generating Ltd, Suntec Business Solutions Pvt Ltd and Hotel Scopevista Ltd. He is also Chairman of Audit Committee of Apollo Hospitals Enterprise Ltd and Shareholders / Investors Grievance Committee of Strides Arcolab Ltd. He is also Member of Audit Committee of Strides Arcolab Ltd and Orchid Chemical & Pharmaceuticals Ltd and Member of Remuneration Committee of Strides Arcolab Ltd. He does not hold any shares of the Company.

Mr. Prakash Samant, Independent Director

Mr. Samant was appointed as an Additional Director in the Board Meeting held on August 1, 2006. As such he holds office up to the date of the ensuing Annual General Meeting.

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Mr. Samant is a rank holder in Chartered Accountant and Company Secretary Examinations; handled variety of assignments in the areas of finance, legal and secretarial functions in diverse industries; has significant experience in investment analysis and due diligence for identifying investment opportunities in India and abroad both through private acquisition and divestment process of Govt of India. His successful assignments also include conceptualization to financial closure of large projects and finalization of Joint Venture with large MNCs. He has over 23 years of industry experience.

Presently, he is serving as the Managing Director of Metmin Investment and Trading Pvt Ltd, an NRI Group of Companies in Mumbai. Mr. Samant is also Director in Metmin Finance and Holdings Pvt Ltd, Metmin Exploration Pvt. Ltd, Metdist Industries Pvt. Ltd and Asta India Pvt. Ltd. He does not hold any shares of the Company.

Report on Compliance with Clause 49 of Listing Agreement of Stock Exchanges

1. Company's philosophy on Code of Governance

The Company's Philosophy on the code of governance as adopted by its Board of Directors:

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

2. Board of Directors

Details of Directors

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

*NPD - Non-Promoter Director; ED - Executive Director; NED - Non-Executive Director; ID - Independent Director; NID - Non Independent Director

** In Indian Public Limited Companies

*** In Audit and Shareholders' / Investors' Grievance Committees of Indian Public Limited Companies

@ Ceased to be Director w.e.f 18.07.05

+ Inducted as Additional Directors w.e.f 08.08.05

\$ Inducted as Additional Directors w.e.f 01.08.06

Was granted leave of absence for the Board Meetings not attended by him on account of his occupation in Singapore

Corporate Governance Report



Details of Board Meetings held during the fifteen months period ended June 30, 2006:

Date of Board Meeting	20.04.05	04.05.05	08.08.05	26.09.05	31.10.05	11.11.05	21.11.05	26.11.05	03.01.06	09.03.06	17.04.06	11.05.06
Board Strength	4	4	6	6	6	6	6	6	6	6	6	6
No. of Directors Present	4	3	4	6	5	5	5	5	5	5	4	3

3. Audit Committee

Brief description of terms of reference:

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

Composition of Committee and Attendance of Members:

Sr. No	Name of Director and position	Meetings/Attendance	
		20.04.05	31.10.05
1.	G.V. Desai, Chairman*	Present	Present
2.	Charudatta Naik, Member	Present	Absent
3.	C.V. Kane, Member**	Present	NA
4.	Prakash Ranjalkar, Member***	Absent	NA
5.	Vishwas Pathak, Member****	NA	Present

* Appointed as Chairman w.e.f. 24.07.06

** Ceased to be Director / Member w.e.f. 18.07.05

*** Relinquished w.e.f. 26.09.05 consequent on reconstitution of the Committee.

**** Appointed w.e.f. 26.09.05

4. Nomination & Remuneration Committee

Brief description of terms of reference:

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

Composition of Committee and Attendance of Members:

Sr. No	Name of Director and Position	Meetings/Attendance			
		20.04.05	21.11.05	26.11.05	26.04.06
1.	Prakash Samant, Chairman*	NA	NA	NA	NA
2.	G.V.Desai, Member	Present	Present	Present	Present
3.	C.V.Kane, Member**	Present	NA	NA	NA
4.	Charudatta Naik, Member***	Present	Present	Present	Present
5.	Lee Sek Hong (Michael Lee)****	NA	Absent	Absent	Absent

*Appointed as Chairman w.e.f. 11.08.06

** Ceased to be Director / Member w.e.f. 18.07.05.

*** Ceased to be Member w.e.f. 01.08.06.

**** Appointed w.e.f. 26.09.05

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- **Remuneration Policy:** The Policy Dossier approved by the Board at its meeting held on August 11, 2006, *inter alia*, provides for the following:
 - **Executive Directors:**
 - ☐ Salary and commission not to exceed limits prescribed under the Companies Act, 1956.
 - ☐ Remunerate from time to time depending upon the performance of the Company, Individual Director's performance and prevailing Industry norms.
 - ☐ No sitting fees.
 - ☐ No ESOP for Promoter Directors.
 - **Non-Executive Directors:**
 - ☐ Eligible for commission based on time, efforts and output given by them.
 - ☐ Sitting fees and commission not to exceed limits prescribed under the Companies Act, 1956.
 - ☐ Eligible for ESOP (other than Promoter Directors).

- **Details of remuneration to all the Directors:**

Sr. No.	Name of Director	Salary (Rs.)	Benefits (Rs.)	Bonus/ Commission (Rs.)	Performance linked incentives (along with Criteria)	Sitting fees (Rs.)	Total (Rs.)	Stock Options	Service Contract/ Notice period/Severance fees/Pension
1.	Manoj Tirodkar	-	-	-	-	20000	20000	Nil	Retirement by Rotation
2.	C.V. Kane	-	-	-	-	-	-	Nil	Ceased to be a Director w.e.f 18.07.05.
3.	Charudatta Naik	-	-	-	-	22000	22000	#	Retirement by Rotation
4.	Deepak Vaidya	NA	NA	NA	NA	NA	NA	Nil	Additional Director w.e.f 1.8.06.
5	G.V.Desai	-	-	-	-	28000	28000	Nil	Retirement by Rotation
6.	Lee Sek Hong (Michael Lee)	-	-	-	-	2000	2000	Nil	Retirement by Rotation
7.	Prakash Ranjalkmar	1,920,000	1,893,154	-	-	-	3,813,154	##	*
8.	Prakash Samant	NA	NA	NA	NA	NA	NA	NA	Additional Director w.e.f 01.08.06
9	S.S. Dawra	NA	NA	NA	NA	NA	NA	NA	Additional Director w.e.f 01.08.06
10	Vishwas Pathak	-	-	-	-	26000	26000	-	Retirement by Rotation

*5 years w.e.f 01.04.05 / Notice period 3 months / NA / NA

5,00,000 options allotted on 26.11.2005.

4,80,000 options allotted on 26.11.2005

Notes:

1. All options issued underlie equal number of equity shares of Face Value of Rs.10 issued at par.
2. Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Directors.

Corporate Governance Report



5. Shareholders' / Investors' Grievance Committee

- ☐ Name of Non-Executive Director heading the Committee: Mr. Manoj Tirodkar
- ☐ Name and Designation of compliance officer: Mr. D.S. Gunasingh, Company Secretary
- ☐ Number of shareholders complaints received so far : NIL
- ☐ Number not solved to the satisfaction of shareholders : NA
- ☐ Number of pending complaints : NA

Consequent to the allotment of shares to the shareholders of GTL Limited on July 17, 06, a Shareholders' / Investors' Grievance Committee was constituted on July 7, 2006. The following are the present Members of the Committee:

1. Mr. Manoj Tirodkar, Chairman
2. Mr. G.V. Desai
3. Mr. Vishwas Pathak

6. General Meetings

Location and time of the Company's last three AGMs with details of special resolutions passed

Particulars	2002-03	2003-04	2004-05
Date	NA*	September 30, 2004	September 30, 2005
Time	NA*	09.30 A.M.	11.00 A.M.
Venue	NA*	Electronic Sadan I TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 710.	Electronic Sadan I TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 710.
Details of Special Resolutions passed in the AGM	NA*	-	-
Details of Special Resolutions passed in the EGMs	NA*	No Special resolutions passed	1. Alteration of main objects of Memorandum & Change of name of the Company vide resolution dated January 28, 05. 2. Increase of Authorised Share Capital from Rs 1 Cr to Rs 25 Crs vide resolution dated February 22, 05.

* As the Company was incorporated only on February 4, 04

- ☐ Special resolutions that were put through postal ballot last year; details of voting pattern:
Not applicable as no special resolution was put through postal ballot in the last year
- ☐ Person who conducted the postal ballot exercise: NA
- ☐ Whether special resolutions are proposed to be conducted through postal ballot:
Yes, shall be conducted as per the provisions of the Companies Act, 1956.
- ☐ The Procedure for postal ballot:
Shall be as per the provisions of the Companies Act, 1956 and rules made there under.

7. Disclosures

- ☐ Disclosure on materially significant related party transactions of the Company, that may have potential conflict with the interests of the Company at large:
The Company does not have any material related party transactions, which may have potential conflict with its interests at large. In any case disclosures regarding the transactions with related parties are given in the notes to the Accounts.
- ☐ Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets during the last three years.
Not applicable as the Company is yet to be listed.
- ☐ Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements:
The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

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Disclosure on Non Mandatory requirements:

- **The Board**
Has a Non Executive Chairman. The expenses incurred by him in the performance of his duties are reimbursed. No policy has been laid down on tenure of Independent Directors.
- **Remuneration Committee**
The Company has constituted a Nomination and Remuneration Committee and the full details of the same is available elsewhere in this report.
- **Shareholders' Rights**
The Company has filed its application for listing. On listing it shall publish the half yearly financial results in the newspapers and shall also display it on the Company's website www.gtlinfra.com, apart from the display in SEBI EDIFAR website. Accordingly, it does not envisage to send the same separately to the households of the shareholders.
- **Training of Board Members**
Prior to the appointment of the Directors, an invitation letter giving the background of the Company is sent to the Directors. On receiving their consent another letter containing the information on the terms of appointment; time commitment expected; powers & duties; special duties / arrangement attaching to the position; circumstances in which the office of the Director become vacant; expectation regarding involvement with Committee work; remuneration and expenses; Superannuation arrangements; disclosure of Directors' interest which might affect their independence; and insider trading, code of conduct etc. is given to the Directors. Arrangements are also made for a presentation and facility visit by the Directors, either before or after their joining the Board. The Directors shall also be invited for the Business Conference of the Middle and Senior Management to enable the Company to get their input on the strategy, risk and working of the operations of the Company.
- **Mechanism for evaluating Non-Executive Board Members**
No policy has been laid down by the Company.
- **Whistle Blower Policy**
The Company does not have any Whistle Blower Policy. However any employee, if he / she so desires, has free access to meet or communicate with the Senior Management and report any matter of concern.

8. Means of Communication

- ☐ Quarterly results:
The number of shareholder of the Company has increased from 3 to 74376 only on allotment of shares to shareholders of GTL Limited in lieu of the demerger of the Infrastructure Unit of GTL Limited. Thus, on listing, the Company shall publish the results in 2 news papers and also display in the Company's website.
- ☐ Website where displayed:
<http://www.gtlinfra.com>
- ☐ Whether it also displays official news releases: The Company's website displays official news releases, presentations made to institutional investors or to the analysts and other coverage in the website.

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

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9. General shareholder information

- i. **AGM: Date, time and venue** September 27, 2006; 12.30 p.m; at Vishnudas Bhawe Natyagriha, Sector 16-A, Vashi, Navi Mumbai 400703.
- ii. **Financial Calendar for F.Y.2006-07**
- | | |
|--|-------------------------------|
| First Quarter Results | On or before October 31, 2006 |
| Second Quarter Results | On or before January 31, 2007 |
| Third Quarter Results & Audited Annual Results | On or before April 30, 2007 |
- iii. **Dates of book closure** No book closure
- iv. **Dividend Payment** No dividend has been declared.
- v. **Listing on Stock Exchanges** Listing is awaited from Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE).
- Listing Fees for 2006-07** Shall be paid on listing
- vi. **Stock Codes:**
- | | |
|--|-------------------|
| Stock Exchange/ News Agency | Stock Code |
| The Stock Exchange, Mumbai (BSE) | NA* |
| National Stock Exchange of India Limited (NSE) | NA* |
| Reuters Code | NA* |
| Bloomberg ticker | NA* |
| Equity ISIN | INE221H01019 |
- *Listing awaited
- vii. **Market Price Data:** Does not arise as listing of shares are in process.
- viii. **Performance in comparison to broad based indices such as BSE Sensex, CRISIL index, etc**
Does not arise as listing of shares is in process.
- ix. **Registrar and Share Transfer Agents**
- Share Transfer Agent, GTL Limited - Investor Service Centre,
Electronic Sadan II, TTC Industrial Area, MIDC, Mahape,
Navi Mumbai - 400 710
- GTL Limited is registered with the Securities and Exchange Board of India (SEBI) as a Category II share transfer agent.
- x. **Share transfer system in physical form**
As the number of shareholders of the Company has gone up from 3 to 74376 only with effect from July 17, 2006 and the listing of shares are in process, the Company in consultation with its Share Transfer Agent shall put in place an appropriate share transfer system in respect of the physical shares.
- xi. **Distribution of Shareholding as on July 17, 2006.**
- a. **Distribution of Shareholding according to size of holding**

No. of shares. (1)	No. of shareowners (2)	% to total shareholders (3)	Share amount (Rupees) (4)	% to total (5)
Upto 5000	68,981	92.75%	72,586,540	2.26%
5001-10000	2,666	3.58%	20,954,530	0.65%
10001-20000	1,316	1.77%	19,747,890	0.62%
20001-30000	453	0.61%	11,565,550	0.36%
30001-40000	199	0.27%	7,091,950	0.22%
40001-50000	180	0.24%	8,411,050	0.26%
50001-100000	216	0.29%	16,383,110	0.51%
100001 and above	275	0.37%	3,049,852,030	95.08%
NSDL / in transit	90	0.12%	1,083,970	0.03%
Total	74,376	100.00%	3,207,676,620	100.00%

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b. Distribution of shares by shareholder category

Sr.No.	Shareholder category	No. of shareholders	Shares held	Voting strength
1	Promoter (Body Corporate)	1	133,000,000	41.46%
2	Directors, Their Relatives	9	466,923	0.15%
3	Bodies Corporate	1,946	35,260,659	11.00%
4	Banks	11	192,223	0.06%
5	Mutual Funds	4	14,764	0.00%
6	Financial Institutions	7	17,481,459	5.45%
7	Foreign Institutional Investors (FIIs)	27	28,146,799	8.77%
8	Non-Resident Individuals(NRIs)/Foreign Corporate Bodies, Overseas Corporate Bodies	419	88,787,292	27.68%
9	Resident Individuals	71,862	17,309,146	5.40%
10	In-Transit (NSDL)	90	108,397	0.03%
TOTAL:		74,376	320,767,662	100.00%

c. Top 10 Shareholders as on July 17, 2006

Sl No.	Name(s) of shareholders	Category (as per depository)	Shares	%
1	GTL Limited	Domestic Company	133,000,000	41.46%
2	Technology Infrastructure Limited	Corporate Body OCB	86,197,850	26.87%
3	Infrastructure Development Finance Company Limited	Financial Institution	16,000,000	4.99%
4	Citigroup Global Markets Mauritius Private Limited	Foreign Institutional Investor (FII)	6,526,789	2.03%
	Citigroup Global Markets Mauritius Pvt Ltd	Foreign Institutional Investor (FII)	814,626	0.25%
5	Merrill Lynch Capital Markets Espana S.A.S.V.	Foreign Institutional Investor (FII)	6,213,335	1.94%
	Merrill Lynch Capital Markets Espana S.A.S.V.	Foreign Institutional Investor (FII)	262,850	0.08%
6	UBS Securities Asia Limited. A/c. Swiss Finance Corporation (Mauritius) Limited	Foreign Institutional Investor (FII)	3,426,538	1.07%
	Swiss Finance Corporation (Mauritius) Limited-FCCB	Foreign Institutional Investor (FII)	704,272	0.22%
7	Deutsche Securities Mauritius Limited	Foreign Institutional Investor (FII)	2,750,000	0.86%
8	The India Fund, Inc.	Foreign Institutional Investor (FII)	2,397,890	0.75%
9	Morgan Stanley And Co. International Limited A/c Morgan Stanley Dean Witter Mauritius Company Limited	Foreign Institutional Investor (FII)	1,811,743	0.56%
10	BSMA Limited	Foreign Institutional Investor (FII)	1,288,000	0.40%
	BSMA Limited	Foreign Institutional Investor (FII)	181,028	0.06%

xii. Dematerialisation of shares and liquidity

99.84% of the Company's shares are held in electronic form as on July 17, 2006.

xiii. Outstanding warrants or any Convertible instruments, conversion date and likely impact on equity:

a. Foreign Currency Convertible Bonds (FCCBs)

During August 2004, GTL Limited issued 8,000 FCCBs to foreign investors and raised Swiss Francs. (SFr.) 80 million. As per the terms of the issue, the FCCB holders have option to convert FCCBs into Equity Shares any time from 22-Nov-2004 to 20-Aug-2009 at a fixed conversion price of Rs.103/- per share (Face Value Rs.10 and Premium Rs.93).

In terms of the Scheme of Arrangement and Reconstruction between GTL Limited and the Company with effect from the Appointed Date viz. October 1, 2005, the liability in respect of each FCCB of SFr. 10,000 would be split between GTL and the Company as SFr. 9029.13 and SFr. 970.87 respectively. The High Court of Judicature at Bombay has approved the said Scheme on April 28, 2006, and a copy of the Order was filed with ROC on June 12, 2006. Accordingly, appropriate entries in the books of account have been passed for 1037 FCCBs converted during the period October

1, 2005 till June 12, 2006. Thereafter, the liability in respect of the said FCCBs stand split and subsequent workings are arrived at by taking into consideration the face value of each bond split i.e. SFr. 970.87.

No conversion has taken place between June 13, 2006 and June 30, 2006. Accordingly 4,757 FCCBs worth SFr. 4,618,428.59 are outstanding. If all of the outstanding FCCBs are converted into Equity Shares, the total share capital would go up by Rs 172,229,520 (on account of issue of 17,222,952 New Equity Shares).

b. Employees' Stock Option Plans (ESOPs)

On November 26, 2005 the Company has issued 1,550,000 Options to its employees under its Employees' Stock Option Scheme 2005 (ESOS 2005). As per the Scheme, 35% of the Options are convertible at the end of first year, another 35% Options are convertible at the end of second year and the balance of 30% are convertible at the end of third year. Thus the share capital of the Company would go up by Rs 5,425,000; Rs 5,425,000 and Rs 4,650,000 at the end of first year, second year and third year, respectively, on account of conversion of each Option into one share at the rate of Rs 10/-.

xiv. Plant Locations:

The nature of business of the Company is service. The main activities of the Company are conducted from Electronic Sadan I, TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 710.

xv. Address for correspondence

Registered Office GTL Infrastructure Limited
Electronic Sadan No. I, MIDC,
TTC Industrial Area, Mahape,
Navi Mumbai 400710 INDIA

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 INDIA.

Contact Persons: Mr. Jayendra Pai, Associate Vice President, Shares & Systems or Mr. R. Nagarajan, Sr. Manager, Shares & Systems

Tel.: +91-22-27612929 / 27684111 Extn. Nos. 2041/2367 FAX: +91-22-27680171

Website: www.gtlinfra.com

Email: gilshares@gtlinfra.com