

**Statement on Impact of Audit Qualifications
for the Financial Year ended March 31, 2019 on Financial Results
GTL Infrastructure Limited (the Company)**

[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lacs)
	1.	Turnover / Total income (Including Other Income)	151,218	Refer 'Details of Audit Qualification below'
	2.	Total Expenditure	305,158	-do-
	3.	Net Profit/(Loss)	(153,940)	-do-
	4.	Earnings Per Share (in Rs.)	(1.21)	-do-
	5.	Total Assets	756,577	-do-
	6.	Total Liabilities	589,527	-do-
	7.	Net Worth	167,050	-do-
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable
II.	Audit Qualification (each audit qualification separately):			
	a.Details of Audit Qualification:			
	<p>"Attention is drawn to Note no. 3 to the statement which inter alia states that, the Hon'ble Supreme Court of India held that "Mobile Telecommunication Tower" is a building and State can levy property tax on the same. Pending petitions of the Company before the appropriate Courts, non-receipt of demand notices for property tax in respect of majority of the Telecommunication Towers and also due to Company's right to recover such property tax amount from certain customers, the company is unable to quantify the amount of property tax to be borne by it and accordingly has not made any provision for the same. We are unable to quantify the amount of the property tax, if any, to be accounted for and its consequential effects on the statement."</p>			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing - Coming since December 31, 2016			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable			



e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not Applicable

(ii) If management is unable to estimate the impact, reasons for the same:

"The Hon'ble Supreme Court vide its order dated December 16, 2016 upheld that "Mobile Telecommunication Tower" is exigible to Property Tax and the State can levy property tax on Mobile Towers. While deciding the Special Leave Petition (SLP) for Maharashtra matters, the Hon'ble Supreme Court had given liberty to agitate the issue with regard to the retrospective operation of assessment/demand of tax and the quantum thereof before the appropriate forum.

Post the Judgment of Hon'ble Supreme Court on January 2017; the Company had challenged the quantum of property tax and other issues before the Bombay High Court. By an order dated April 18, 2017, Bombay High Court dismissed the appeal.

Against the said order, the Company preferred a SLP with regards to the manner, quantum, component of property tax and other issues. The said SLP was finally disposed of by an order dated January 02, 2019 and Hon'ble Supreme Court has set aside the Bombay High Court order dated April 18, 2017 and has directed the Bombay High Court to decide the Writ Petition on merits. The Company has filed an amendment application before the Bombay High Court in view of the Supreme Court order and developments happened during the pendency of the SLP before Supreme Court.

Another IP Company by name ATC Telecom Pvt. Ltd has preferred an appeal before Hon'ble Supreme Court against the Order of the Gujarat High Court on the rates and taxes to be fixed for mobile towers in lieu of the Amendment made in the Gujarat Provincial Municipal Corporation Act, 1949 in the year 2011. Supreme Court after hearing the ATC Company in September, 2018 has granted leave and the matter is pending for final hearing.

Also with respect to the few sites where demand notices for property tax have been received, the Company has contested the demands by filing writ petitions in appropriate Courts for the assessment of property tax demand / retrospective levy of property tax, procedure and quantum that have been demanded. Various Hon'ble High Courts have passed orders not to take any coercive action till the admission of matter.

The matter being still sub-judice, non-receipt of demand notes for majority of the towers of the Company and the Company's right to recover property tax from certain customers, the Company is unable to quantify actual property tax amount payable excluding the components which are under challenge. The total impact of provision will be considered as and when the matter is resolved."



(iii) Auditors' Comments on (i) & (ii) above:

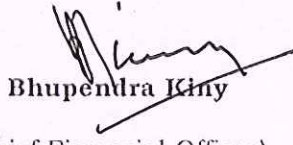
Refer "Basis for Qualified Opinion" in the Independent Auditors' Report dated May 09, 2019 on the Financial Results of the company for the year ended March 31, 2019.

For GTL Infrastructure Limited



Milind Naik

(Whole Time Director)
(Din No. 00276884)



Bhupendra Kiny

(Chief Financial Officer)



N. Balasubramanian

(Audit Committee Chairman)
(Din No. 00276884)



Refer our Independent Auditors' Report dated May 09, 2019 on the Financial Results of the Company.

For Pathak H D & Associates
Chartered Accountants
Firm Reg. No. 107783W



Gopal Chaturvedi
Partner
Membership No. 090903

Mumbai
Date: May 09, 2019