GTL

REF: GTL/CS-SE/2016-17/017 September 23, 2016

The Secretary **BSE Limited** Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Fort, Mumbai 400 023.	**The Secretary** **National Stock Exchange of India Ltd.** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
(BSE Code: 500160 NSE Symbol: GTL ISIN: INE043A01012)	

Dear Sir/s,

Sub: Annual Report for the Financial Year ended March 31, 2016.

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the 28th Annual Report *inter-alia* containing the financial statements of the Company for the year ended March 31, 2016 together with the reports of the Board of Directors and Auditors thereon, Corporate Governance Report, consolidated financial statements of the Company for the year ended March 31, 2016 together with Auditors Report thereon and the Notice of the 28th Annual General Meeting, which was approved and adopted by the members of the Company in the 28th AGM held in Navi Mumbai on September 21, 2016.

Please acknowledge receipt.

Thanking you,

Yours truly,
For GTL Limited

Vidyadhar A. Apte
Company Secretary

Milind Bapat
Chief Financial Officer

Encl. as above.

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

GLOBAL Group Enterprise

Network Planning & Design

Managed Services Network Rollout

Benchmarking & Optimization

Consulting Solution Professional Services

Operation & Maintenance

Network Planning & Design

Site Acquisition Services Network Rollout

Benchmarking & Optimization Energy Management

Operation & Maintenance Managed Services

GTL

28th ANNUAL REPORT 2015-16

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Manoj G. Tirodkar	Chairman & Managing Director
Mr. Vijay M. Vij	Independent Director
Mr. D. S. Gunasingh	Independent Director
Mr. Navin J. Kripalani	Independent Director
Mr. Dilip Kumar Mandal	Director – Nominee of IDBI Bank
Mr. Sunil S. Valavalkar	Whole–time Director
Mrs. Siddhi M. Thakur	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vidyadhar A. Apte

CHIEF FINANCIAL OFFICER

Mr. Milind V. Bapat

AUDITORS

M/s Godbole Bhave & Co., Chartered Accountants
M/s Yeolekar & Associates, Chartered Accountants

BANKS / INSTITUTIONS

Andhra Bank
Bank of Baroda
Bank of India
Canara Bank
Catholic Syrian Bank
Dena Bank
IDBI Bank Ltd.
Indian Bank
Indian Overseas Bank
Punjab National Bank
SIDBI
Standard Chartered Bank
State Bank of Hyderabad
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank

REGISTERED OFFICE & INVESTOR SERVICE CENTRE
(In–house Registrar & Share Transfer Agent)

GTL Limited
"Global Vision", Electronic Sadan–II,
MIDC, TTC Industrial Area, Mahape,
Navi Mumbai – 400 710, Maharashtra, India.

Tel: +91 22 2761 2929 Extn.: 2232–2235 | Fax: +91 22 2768 0171
Email: gtlshares@gtllimited.com | ir@gtllimited.com
Website: http://www.gtllimited.com
CIN : L40300MH1987PLC045657

CONTINUING & DISCONTINUED BUSINESS OPERATIONS

Particulars	GTL Consolidated (Audited)				GTL Standalone (Audited)	
	FY 2015–16	FY 2014–15	FY 2015–16	FY 2014–15	FY 2015–16	FY 2014–15
	₹ Crore	₹ Crore	US$ Mn	US$ Mn.	₹ Crore	₹ Crore
Total Income	**1,826.74**	2,586.59	**274.87**	419.10	**1,282.87**	2,151.34
Net Sales / Services	**1,707.15**	2,495.93	**256.87**	404.41	**1,241.65**	2,069.41
PBDIT and exceptional items	**(297.40)**	(274.67)	**(44.75)**	(44.50)	**(9.74)**	(54.11)
Depreciation	**103.10**	139.99	**15.51**	22.68	**98.50**	126.22
Profit before exceptional items & tax	**(982.30)**	(935.45)	**(147.80)**	(151.57)	**(640.41)**	(648.57)
Profit after exceptional items but before tax	**(2,883.64)**	(1,088.16)	**(433.90)**	(176.21)	**(2,607.44)**	(801.29)
Profit after tax	**(2,915.49)**	(1,103.63)	**(438.69)**	(178.82)	**(2,607.44)**	(801.29)
Dividend per share	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil
EPS Basic / Diluted	**(186.48)**	(70.89)	**(28.06)**	(11.49)	**(165.78)**	(50.95)
Equity & Preference Share capital	**807.30**	807.30	**122.03**	128.99	**807.30**	807.30
Reserves & Surplus	**(3,824.17)**	(873.67)	**(578.06)**	(139.60)	**(3,388.23)**	(780.79)
Networth	**(3,016.87)**	(66.37)	**(456.03)**	(10.60)	**(2,580.93)**	26.51
Net Fixed Assets	**144.42**	313.24	**21.83**	(50.05)	**143.85**	240.74
Total Assets	**4,162.85**	6,694.78	**629.26**	1,069.71	**3,771.08**	6,000.42

Conversion Rate for 1 US$ into INR (weighted average)	FY 2015–16	FY 2014–15
Profit and Loss Account	**66.4593**	61.7172
Balance Sheet Items	**66.1550**	62.5850

Note: GTL generates 73% of its revenue from India. Dollar figures are given purely for reference purpose and may seem distorted due to substantial and abnormal fluctuations in the INR–US$ exchange rate. Therefore, all the ratios have been calculated for Rupee values.

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CONTENTS

Financial Achievements.. 01

Management Discussion & Analysis

- Business Snapshot.. 03
- Industry Structure & Developments.. 05
- Opportunities and Threats.. 06
- Future Outlook.. 06
- Discussion on Consolidated Financial performance with respect to operational performance... 07
- Segment wise performance 07
- Risks and Concerns.. 09
- Internal Control Systems and their Adequacy.. 12
- Human Resources.. 14
- Quality & Process.. 15
- Corporate Social Responsibility.. 16
- Environment Excellence.. 16

Directors' Report.. 18

Corporate Governance Report.. 46

Finance Section

Standalone Accounts:

- Independent Auditors' Report.. 60
- Balance Sheet.. 70
- Profit and Loss Account.. 71
- Cash Flow Statement.. 72
- Significant Accounting Policies & Notes to Financial Statements.. 74

Consolidated Accounts:

- Independent Auditors' Report.. 104
- Balance Sheet.. 110
- Profit and Loss Account.. 111
- Cash Flow Statement.. 112
- Basis of Principles of Consolidation and Significant Accounting Policies & Notes to Financial Statements.. 114
- Notice for AGM.. 147

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS SNAPSHOT

GTL Limited (GTL / the Company), a Global Group Enterprise, is a diversified Technology and Infrastructure services company focused on Telecom.

In the telecom segment the Company provides network services to Telecom Operators, OEM's and Tower Companies.

TELECOM

Network Planning, Design for 2G / 3G / 4G & LTE networks and Optimisation

The introduction of smart phones, and the ever growing data usage over the traditional telecom networks, has made the task of planning and optimizing existing networks a challenge to service providers.

The Network Planning & Design and services deliver value by designing networks that live up to customer's expectations, with high Quality of Service to support technology and capacity requirements of Operators.

GTL provides Network Design and Optimization services to its customers, starting from Radio Frequency (RF) and Transmission Engineering to Fixed and Core Network Engineering Design in the Wireless and Wire line domain – LTE, UMTS, GSM, CDMA, EVDO, Microwave Transmission, SDH, DWDM Wi–MAX and Broadband networks. GTL Design and Optimization services extend from greenfield macro networks to sophisticated In Building Solutions like DAS, Small Cells and Wi–Fi connectivity.

The design and optimization process assesses alternative options of Network Technologies, Network Migration, Expansion imperatives and incorporates them into the planning phase.

To satisfy the discerning requirements of global customers, GTL engineers use technology expertise, sophisticated algorithms, world–class tools and disciplined design and optimization processes to provide total end–to–end, multi–vendor design and optimization solutions that not only fulfill but also exceed customer expectations.

GTL's RF Design and Optimization services lifecycle includes

- CW Testing & Model Tuning
- Transmission Network Planning
- Line of Sight Surveys
- Network Design
- RFDS and Data Build Creations
- Site Shakedown
- Single Site Verification & Cluster Drives
- Pre–Launch Tuning
- Post Launch Optimization
- Performance Monitoring & Analysis

Operations & Maintenance

GTL offers Network Operations and Maintenance services of Telecom infrastructure for both Infrastructure companies and Telcos.

Key areas such as Network Monitoring & Operations, Network Field Maintenance, Technical Support and Process Management and Logistic with Vendor Management are offered to Operators under this services.

With its focused approach and ever improving processes GTL ensures high level of network uptime with control over operational expenses.

With multi technology experience gained over years in operations GTL's customers are assured high level of service enabling them with best uptime in the industry.

Energy Management

GTL's Energy Management Solutions prime objective is to make optimal use of energy at site through continuous monitoring of energy, installation of new technology energy efficient equipments integrating them with non traditional alternate energy sources. These solutions will benefit service providers by reducing their operational expenditure and their carbon footprint.

GTL's Energy Management Services help tower companies and service providers, in effective management of their energy ecosystem.

Under the Energy Management Service the Company continues to offers a fixed energy model (where the customer pays fixed energy costs based on previous consumption patterns) and a Consumption Per Hour (CPH) model. The Company strives to generate efficiencies in operation and consumption without compromising uptime.

Now a fully developed Tower Operations Center (TOC) operated under Network Operation Center (NOC) brings in necessary support to monitor, manage and resolve trouble ticketing mechanism to ensure uptime.

Managed Services

GTL's Managed Services allow Operators to free themselves from non–differentiating tasks of building & operating the network and helps them focus on customers and products. GTL's Managed Network Services offerings are based on the Build–Operate–Manage (BOM) model and offer KPI / SLA based end–to–end services. Some of the offerings in which the Company has been able to showcase significant wins are :

- Project Delivery Support Services
- Network planning, Design and Optimization
- Field level Management – Active and passive
- Remote Network Infrastructure Management Services (RNIMS)

Network Benchmarking and Audit

Benchmarking Services is a comprehensive comparative analysis that provides details on in–market analysis and network review. The service evaluates performance against competition and measures network performance using a Drive Test to examine coverage and call quality. Tests are conducted for call availability, call quality, call set up success rate and handover success rate. Site Audit is a process that identifies discrepancies between the design and implemented network.

Site Acquisition Services

For Telecom Operators, Time–to–market depends on effectively optimizing the acquisition process. The GTL Site Acquisition Team understands the technical, engineering and business aspects of site acquisition services. Our capabilities include pre–construction leasing, entitlement activities and difficult zoning / permitting scenarios.

GTL has met the acquisition challenges of acquiring sites for many Telecom Operators for over 10 years, our team has provided a proven process to ensure we meet the client's scope, cost and schedule requirements.

The site acquisition services delivered by GTL can be broadly classified as:

- Site Identification and Assessment
- Lease Negotiations / Renewals, Extensions, Rent Reductions etc.
- Preparations of Lease Amendments, Notices, Consents and Easements
- Zoning Assessment and Management
- Permit Coordination / Acquisition (Building and Electrical)
- Environment and Regulatory Compliance
- In Bound Colocation Management

Network Rollout Services

GTL offers a comprehensive suite of Network Rollout services that supports every phase of the roll out process. The offerings include Active as well as Passive Infrastructure Services for Wireline & Wireless Domain including GSM, CDMA, Microwave Transmission, Optical Transmission, WiMAX and Broadband Networks.

GTL's Network roll out services enable customers to roll out their networks efficiently and benefit them with a shorter time to market, thus improving productivity and maximizing their investments into technology.

With experience from several projects around the world, GTL has a proven track record of timely and successful roll outs to customer satisfaction. GTLs multi–skilled technicians and professionals combined with our available processes and techniques create turnkey solutions by managing, integrating, installing and testing the customer's multivendor network.

- Site Construction Engineering
- Management Service
- Site Implementation
- Acceptances Services
- Site Documentation
- GTL's Value Proposition

Consulting Solutions

GTL provides a holistic approach that helps Operators to remain competitive in a market defined by rapidly evolving technology, a steady stream of new players and increasingly demanding consumers. GTL understands the Telecom market and business evolution and help Operators to identify user needs and address them through business–model evolution, service–management innovation and technology strategies.

GTL help Operators to:

Enhance the performance of their current networks and services and prepare for launch of new technology

Develop organizations and streamline the client's processes and support systems environment

As opposed to traditional strategic consulting firms, GTL offers industry focus, global presence, and local wisdom, making for a one–stop, future–proof solution. GTL's broad portfolio of services covers all areas of today's complex business, with an emphasis on driving business success through increased revenue, improved user satisfaction and reduced cost.

GTL's RF Design and Optimization services lifecycle includes of

- Performance Benchmarking
- Customer Experience Management
- Capacity and Quality Management
- Network Diagnostics

- Business Process Management
- Technology Strategy and Planning

Professional Services

GTL's ability to capitalize on new thinking, new workforce models and new possibilities has made it one of the most recognized and respected workforce solutions providers in the world. And GTL's expertise, experience and unmatched global footprint allows it to deliver solutions to help its clients achieve better business results.

More than ever, business growth depends on positioning the right people in place. The in–demand professional talent that sets Operator's organization apart from the competition making GTL a preferred partner.

GTL has the deep industry knowledge to understand the challenges its business is facing and gives access to the professional talent and expertise needed to seize new opportunity and launch Operator business forward.

Many of the skill sets of GTL are highly specialized and not widely available. That's why GTL team builds strong relationships across the Telecom industry, and dives deep to find the high performing active and passive candidates who can meld seamlessly with Operator organization.

Some of the roles offered by GTL's talent pool consist of:

- RF Subject Matter Experts (SME)
- RF Performance Engineers
- RF Market Leads
- RF Design & Optimization Engineers
- Project Managers
- Transmission Planners
- Network Engineers
- Project Co–ordinators
- Field Technicians
- Site Acquisition Consultants

Power

Further to the discontinuation of Power DF business during FY 2014–15 the Company has also discontinued Power EPC business in the FY 2015–16.

Project Endeavors

GTL inline with its continuous improvement policy have taken initiatives in field to enhance operational efficiency. Such initiative has allowed the Company to focus on customer needs of better uptime and optimum energy management. Following are new initiatives taken at NOC across Processes and Technology:

Processes Initiatives

Implementation of Centralised Up time reconciliation process.

Earlier decentralized process carried out at circle level for operators provided challenges in the process such as fragmentation, delay in reporting and validation of data from telcos. With centralization of process at NOC now reconciliation of up time happens at NOC level using data from NOC and from operator. Circlewise and operatorwise Uptime vs SLA are generated resulting in faster signoff at circle level.

Implemented Diesel Filling tracking process from NOC

Diesel filling was process being managed at circle level and information flow was from circle to central team. Entire process is now monitored and managed from NOC. Diesel filling tracking team operates in tandem with Preventive maintenance team to ensure technician visit at site as per schedule plan of refilling. Team at NOC keeps track of overall diesel taken and dispensing at site

Data available is reconciled and verified against overall diesel quantity v/s actual dispensing resulting in management of shortage / surplus of diesel availability. Timely filling and refilling tracking has helped reduce downtime considerably.

Internet of Things (IoT) ready portal for online visibility of KPIs, SLAs

Network KPIs and SLAs are the prime indicators of the performance. Data collected from various sources and formats was processed to provide indicators for improvements. This in nature was more reactive. Need was felt to have platform which is enabled to accept data like machine data, OSS logs, SMS alerts, data strings etc. from any device data via internet and also manage realtime data crunching and big data solutions from large data volumes.

Initiative was taken to develop an application with IoT readiness, and data architecture with data crunching capability and analytic capability with web based reporting via a portal. Raw data is processed through this platform for various dimensioning of reporting and analytics which are both predictive and prescriptive in nature. This helps company and its customers to preemptively and proactively manage network operation for giving better level of services.

INDUSTRY STRUCTURE & DEVELOPMENTS

As the world telecom market moves from voice to data, the telcos face new technology and infrastructure related challenges in meeting their expansion and customer experience goals. The advent of technologies like 4G / LTE is further adding to those challenges. Operators are now opening up to the possibility of embracing the next wave of mobile broadband revolution – both on coverage and capacity increase of 3G and the adoption of 4G / LTE.

The challenges in telecom industry throw interesting opportunities for service companies like GTL, which has a portfolio of service offerings in the above mentioned area and will aim to leverage the expertise gained in offering and addressing the same. GTL will address the challenge of LTE and new technologies internationally. The Asia pacific market especially Nepal is still at the nascent stage in terms of new technology. GTL is already in dialogue with the Operators to implement 3G based solutions along with its energy solutions.

Broadly the customers are divided into three segments namely Operators, OEMs and Tower companies. GTL has unique set of solutions for each customer segment. Depending upon the evolution of technology cycle in each country of its presence, GTL offers its solutions to its customers.

OPPORTUNITIES AND THREATS

Telecom

GTL's business operates in India, UK, Dubai & KSA and Nepal. The growth markets of SAARC region continue to offer opportunities for Network Deployment, Operations & Maintenance services. The SAARC and Middle East Region are also being explored for offering NOC based services. The international matured market of Europe offers opportunities for Network Planning, Design, Optimization and Benchmarking services. While the developing market offers opportunities in 2G and 2.5G networks, developed markets offer opportunity in 3G and 4G space.

The Company plans and continues to operate those projects which offer higher margins and require lower working capital. GTL will concentrate to develop Network Services business in international markets. Domestically, GTL will continue to offer its services of Energy Management for the Telecom business.

IoT applications and evolving communications technologies

The IoT is the harmonization of multiple machines, applications and devices connected to the internet by multiple networks. Mobile is expected to be a key enabling technology for IoT, as central point to connect various devices and offering connectivity. The total number of connected IoT devices in India, is expected to reach more than 1 billion by the year 2020. Mobile devices and related broadband connectivity will continue to drive momentum for Internet of Things (IoT).

With number of embedded devices that require mobile connectivity grows, telecommunications companies will be focus on network connectivity.

Telcos will focus on upgrading to new technology and infrastructure enhancement will take place in the industry providing GTL will business growth opportunities.

Adaptation of 4G

With widespread rollout of 4G, telcos to focus on providing data and voice services that are high quality, reliable, and affordable. The challenge will be doing this in a market where there is increasing usage, declining rates, and scarce spectrum. Data usage has been growing dramatically & expected to continue in future. GTL's key focus is to help carriers rationalize networks and potentially offer improved and expanded services.

The Indian 4G market is expected to see a significant pickup in subscriber base expected to reach about 80 million by the year 2018–19.

Reliance Jio Infocomm expected to launch its services in a phased manner with initial focus on launches in Metros and Circle A.

This provides opportunity for GTL to enhance its business portfolio with various operators in the industry.

Digital India Initiative likely to benefit Telecom Sector

The Digital India initiative aims to transform India into a digitally empowered society and knowledge economy, with aim to connect entire India digitally in the span of 4 years. The vision of Digital India focuses on – Digital Infrastructure as a utility to every citizen, Governance & services on demand and Digital Empowerment of citizens. One important initiative under Digital India is the 'National Optic Fiber Network'. Mobile Operators in India such as Airtel, Reliance Group and Aditya Birla Group (Idea Cellular), have supported Digital India with commitment to invest in network rollout, broadband and Wi–Fi deployment .

FUTURE OUTLOOK

GTL's current business focus revolves around leveraging 3G / 4G expertise in network planning and optimization, and operations centric managed service solutions that help operators optimize their costs and enhance their revenues. Moving forward, GTL is evolving a strategy focused on the Remote Network Infrastructure Management Services (RNIMS), Customer Experience Management Solutions building on our expertise in Managed Services, Planning and Optimization businesses. Some of the key shifts that the Company is contemplating in response to the evolving industry and technology landscape and in line with the

Company's strategy to generate large annuity driven and high margin revenues are :

- **One time revenues (project based) to Recurring services revenues:** A significant chunk of the services business revenues are one time in nature, the Company would like to work towards a recurring revenue based and long term engagements
- **OEM dependency to Relationship with mobile operators:** We are highly dependent on our relationships / partnerships with OEMS, for generating Business
- **Field manpower oriented services to move towards hybrid model utilizing high end tools:** Most of our current service offerings have revolved around resource centric offerings. Moving forward we intend to move towards high end technology services, which offer a chance to have a deeper and a recurring engagement with service providers as our customers. The Company is in the process of entering into partnerships with companies that provides tools and software solutions for Network Services
- **NOC to GDC:** The expertise gained in offering NOC to Indian customers is being leveraged to offer to international customers, with additional capabilities being built in niche service offerings

DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

For the purpose of financial analysis, the figures in rupees for the FY 2015–16 and FY 2014–15 are converted into US$ as under:

Particulars	**FY 2015–16 (₹)**	FY 2014–15 (₹)
Profit and Loss Account – 1 US$ equals to	**66.4593**	61.7172
Balance Sheet– 1 US$ equals to	**66.1550**	62.5850

Pre–elimination and Post–elimination Revenues of the Group

Particulars	**FY 2015–16 (₹ Crore)**	FY 2014–15 (₹ Crore)	**FY 2015–16 (US$ Mn.)**	FY 2014–15 (US$ Mn.)
GTL (Standalone)	**1,241.65**	2,069.41	**186.83**	335.31
International Subsidiaries	**465.72**	427.42	**70.07**	69.25
Indian Subsidiaries	**Nil**	Nil	**Nil**	Nil
Pre elimination Group Revenues	**1,707.37**	2,496.83	**256.90**	404.56
Less: inter– company elimination entries	**0.22**	0.90	**0.03**	0.15
Post elimination Group Revenues	**1,707.15**	2,495.93	**256.87**	404.41

SEGMENT WISE PERFORMANCE

"Network Services" comprises of Network Planning & Design, Network Deployment, Professional Services, Energy Management, Operations and Maintenance and Infrastructure Management. The Company discontinued Power Distribution Franchise business in FY 2014–15 and Power EPC business in FY 2015–16 therefore revenue was lower.

The Segment wise Revenue is as follows:

Segment Revenue	**FY 2015–16 (₹ Crore)**	FY 2014–145 (₹ Crore)	**FY 2015–16 (US$ Mn.)**	FY 2014–15 (US$ Mn.)
Network Services	**1,705.86**	1,780.91	**256.68**	288.56
Power Distribution Franchisee and EPC	**1.29**	715.02	**0.19**	115.85
Total Segment Revenue	**1,707.15**	2,495.93	**256.87**	404.14

Cost of Sales, Services and Delivery

In the FY 2015–16 **cost of material and Services** stood at ₹ 1,372.26 Crore (US$ 206.48 Mn.) (80.38%of revenue) as against ₹ 2,164.25 Crore (US$ 350.67 Mn.) (86.71 % of revenue) in FY 2014–15.

Employee Benefit expenses stood at ₹ 231.16 Crore (US$ 34.78 Mn.) (13.54% of revenue) as against ₹ 285.89 Crore (US$ 46.32 Mn.) (11.45 % of revenue) in FY 2014–15.

Other Expenses includes Travelling, Conveyance, Rent, Consultancy, Provision for Doubtful debts and other expenses stood at ₹ 520.72 Crore (US$ 78.35 Mn.) (30.50% of revenue) as against ₹ 411.11 Crore (US$ 66.61 Mn.) (66.63 % of revenue) in FY 2014–15. The increase in Other Expenses mainly on account of Provision for bad debts & advances of ₹ 404.68 Crore (US$60.89 Mn.) as against previous year ₹ 307.41 Crore (US$ 49.81 Mn.)

Interest and Finance charges

The break–up of Finance Cost and Other income is as provided below:

Particulars	**FY 2015–16 (₹ Crore)**	FY 2014–15 (₹ Crore)	**FY 2015–16 (US$ Mn.)**	FY 2014–15 (US$ Mn.)
Interest Expense	**581.80**	520.79	**87.54**	84.38
Other Income				
Interest Income	**6.08**	25.53	**0.91**	4.13
Dividend from other Investments		Nil		Nil
Profit on sale of Current Investments)	**2.99**	7.54	**0.45**	1.22
Lease & Rent Income	**2.73**	2.75	**0.41**	0.45
Profit on sale of fixed assets (Net)	**0.23**	0.58	**0.03**	0.09
Gain on Foreign Currency	**19.63**	26.29	**2.96**	4.26
Other Non–Operating Income	**87.93**	28.55	**13.23**	4.62

Exchange variation

The Company and its subsidiaries execute projects in several countries and thus have exposure in several currencies related to bank deposits, payment to suppliers, receivables and loans. Fluctuations in currency exchange rates and interest rates are the potential risks in these transactions.

Provision for Tax

Provision for Tax	FY 2015–16 (₹ Crore)	FY 2014–15 (₹ Crore)	FY 2015–16 (US$ Mn.)	FY 2014–15 (US$ Mn.)
Income Tax	**10.78**	6.12	**1.62**	0.99
Deferred Tax	**21.07**	9.35	**3.17**	1.52
Total Tax	**31.85**	15.47	**4.79**	2.51

Balance Sheet Items

Equity Share capital

As on March 31, 2015 the equity share capital was ₹ 157.30 Crore (US$ 25.13 Mn.). There is no change in GTL's Share Capital and as at March 31, 2016 share capital remains at ₹ 157.30 Crore The details are as under:

Particulars	No. of Equity Shares	₹ Crore	US$ Mn.
Equity Capital as on March 31, 2015	157,296,781	157.30	25.13
Equity Capital as on March 31, 2016	157,296,781	157.30	23.78

The variation in US$ Mn. is on account of change in exchange rate

Preference Share capital

Particulars	No. of Equity Shares	₹ Crore	US$ Mn.
Number of Preference Shares at the beginning of the year as on March 31, 2015	650,000,000	650.00	103.86
Preference Capital as on March 31,2016	650,000,000	650.00	98.25

The variation in US$ Mn. is on account of change in exchange rate

Reserves and Surplus

Reserves and Surplus as on March 31, 2014 was ₹ 272.69 Crore (US$ 45.39 Mn.). In view of the loss during the period, the Company has not created Debenture Redemption Reserve.

Particulars	₹ Crore	US$ Mn.
Reserves & Surplus on March 31, 2015	(873.67)	(132.06)
Add:		
Loss during the year	(2,933.06)	(443.36)
Translation & Reserve on consolidation	(17.44)	(2.64)
Reserves & Surplus on March 31, 2015	(3,824.17)	(578.06)

Net worth

Particulars	₹ Crore	US$ Mn.
Equity Capital as on March 31, 2016	157.30	23.78
Preference Capital as on March 31, 2016	650.00	98.25
Reserves & Surplus on March 31, 2016	(3,824.17)	(578.06)
Total Net worth	(3,016.87)	(456.03)

Loans

Long Term Borrowings as on March 31, 2016 was ₹ 1,217.69 Crore (US$ 184.07 Mn.) as against ₹ 1,869.36 Crore (US$ 298.69 Mn.) on March 31, 2015. The current matured portion of loan is considered under current liabilities.

Net Fixed Assets

As on March 31, 2016 the net fixed assets were ₹ 144.42 Crore (US$ 21.83 Mn.) as against ₹ 313.24 Crore (US$ 50.05 Mn.) on March 31, 2015.

Long Term Investments

As on March 31, 2016 GTL's investments stood at ₹ 2,209.90 Crore (US$ 334.05 Mn.) as against ₹ 3,146.15 Crore (US$ 502.70 Mn.) as on March 31, 2015. Decrease in investment is on account of provision towards diminution in value of investment of ₹ 925.85 Crore (US$ 14.00 Mn.). Thus, the unquoted and quoted investments are as given below:

Investments	₹ Crore		US$ Mn.	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Quoted				
Equity Share	**572.42**	572.33	**86.53**	91.45
Total Quoted	**572.42**	572.33	**86.53**	91.45
Unquoted				
Equity Share	**1,637.48**	1,708.92	**247.52**	273.05
Preference Shares	**Nil**	714.90	**Nil**	114.23
Debentures	**Nil**	150.00	**Nil**	23.97
Total Unquoted	**1,637.48**	2,573.82	**247.52**	411.25
Total Investment	**2,209.90**	3,146.15	**334.05**	502.70

The above figures are net of diminution in value of investments.

Receivables decreased from ₹ 550.83 Crore (US$ 88.01 Mn.) as on March 31, 2015 to ₹ 212.44 Crore (US$ 32.11 Mn.) on March 31, 2016. Decrease in Daily Sales Outstanding (DSO) from 81 to 45 days.

Inventory as on March 31, 2016 was ₹ 10.92 Crore (US$ 1.65 Mn.) as against ₹ 98.26 Crore (US$ 15.70 Mn.) as on March 31, 2015.

Related Party Transactions during the Year

(₹ in Crore)

Particulars	Associates companies	
	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Sales & Services	**641.26**	767.42
Reimbursement Expenses from	**2.64**	1.75
Interest Income	**4.11**	16.50
Rent Received	**2.72**	2.74
Purchases of Fixed Assets	**0.10**	Nil
Sale of Fixed Assets	**0.12**	0.35
Reimbursement Expenses to	**300.29**	415.35

Relationship:

Associates: GTL Infrastructure Limited, Global Rural Netco Limited, Chennai Network Infrastructure Limited.

RISKS AND CONCERNS

In today's dynamic business environment 'Risk Management' is an essential function to have a sustainable & 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".

GTL has a Risk Management Group (RMG) in place to facilitate the execution of risk management across the organization. The Company's approach is to identify, monitor and evaluate risk throughout the group companies and to manage these risks within its risk appetite. For this very purpose GTL has an Integrated ERM Framework in place.

This report, prepared in accordance with Regulation 34(3) read with Schedule V(B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, sets out the ERM practiced by GTL Limited (the Company). 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 the Company to predict these events or how they may affect it.

I. MARKET RISKS

Macro–Economic Outlook

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.
- As per World Bank, Robust growth in India, the South Asian region's economy remains the fastest growing region in the world, with economic growth forecasted to gradually accelerate from 7.1 % in FY 2016 to 7.3% in FY 2017.
- 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 the year 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.

The Indian perspective

- As per the Ministry of Statistics and Programme Implementation (MOSPI), Consumer Price Index (CPI) in India increased to 126 Index Points in March 2016 from 125.90 Index Points in February 2016. Consumer Price Index (CPI) in India averaged 108.86 Index Points from 2011 until 2016, reaching an all time high of 126.60 Index Points in November 2015 and a record low of 86.81 Index Points in February 2011.
- The Inflation continues to remain low, keeping this in mind Reserve Bank of India (RBI) Governor in monetary policy meeting held in April 2016, kept the Bank Repo rate @ 6.5% and Cash Reserve Ration (CRR) at 4%. This rate cut decision is based on inflation and monsoon rains in the country.
- As the revenues from our existing business lines are all dependent on the sustainability of Telecom sector, we believe that macro–economic 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 and Leverage Risks

- 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 continues to take various measures such as cost optimisation, improving operating efficiency, re–negotiation 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.

Foreign Exchange and Commodity Price Risk

The Company's business is predominantly in India. The International subsidiaries carry out their business in local currency and therefore is not exposed to fluctuations in foreign exchange rates. The business related financial risk, especially involving commodity prices, by and large, are managed contractually through price variation clauses.

Credit Risks

- All telecom companies faced increased pressure on earnings and financing fronts. However, recently few operators increased call rates and substantially reduced promotions which would lead increase top line. These efforts may ease the payment terms to vendors during short to medium term. As a vendor to these players, GTL is currently facing a medium credit risk.
- The Supreme Court of India verdict for cancellation of 122–2G telecom licenses caused losses & impairments for tower companies, adversely impacting their financing and fund raising plans.
- Based upon the spectrum auctions, the license charges paid by the operators will impact the net margins of the operators. Hence, the increased capital charges (the interest outgo on account of debt raised for 3G network rollout, and the amortization of spectrum charges) would place additional pressure on operators' bottom lines.

Overview

GTL took a decision to restructure its financial indebtedness in the year 2011–12 and has implemented the Corporate Debt Restructuring (CDR). The current progress under the CDR plan is outlined in the Directors Report.

Post CDR certain developments severely affected Telecom Sector. The major developments are :

- Cancellation of 122–2G licenses upheld by Hon'ble Supreme Court in February 2012;
- Aircel Group's cancellation / termination of tenancy commitments in July 2013;
- Slower 3G & BWA growth since auctions;
- Suspension of BSNL expansion; and
- Freeze on fresh debt and equity: Anxiety and negative sentiments towards the sector due to financial stress, contentious tax claims and criminal investigations of Promoters and Banks related to previous spectrum allocations etc resulted into complete freeze of fresh capital outlays towards the sector.

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 sector 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 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 desired level of customers and still witnesses slow growth. But 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
- 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.

All the above mentioned factors could lead to positive changes in the sector in times to come.

Business Concentration Risk

- Historically, the Company has been in the telecom sector functioning as an ancillary to Telecom Operators. The customer profile has always been Telecom Operators, Original Equipment Manufacturers (OEMs) and tower companies.

  Almost 73% of the Company's revenues has come from India. Therefore, the element of customer concentration risk was always very high. The Company had entered into the business of Energy Management and won a big contract with Aircel which is expected to generate around 33% of the revenues of the Company. Therefore, the performance of the Company are very tightly integrated with those of some customers like Aircel and the Company should take steps to mitigate such concentration risks by getting additional customers and also geographically diversifying operations and customer base

- Historically, the Company's customer base was solely in the telecom sector. This meant a high sector concentration risk.

Pricing Risk

- The company may face pricing risk from small fragmented players in telecom services.

Competition Risk

- The Competitive landscape for the Company is limited in the telecom side of the business as most of the competition in network rollouts is from small fragmented players. The Energy Management business has been pioneered by the Company. The first contract of its kind has been signed in the country with Aircel. In Network Planning and Optimisation the competition is from IT firms but not from any telecom players

III. OPERATIONAL RISK

Reputation Risk

- The Company still continues to face reputation risk due to the multiple factors like erosion in market capitalization, the debt restructuring and other issues beyond management control & industry dynamics discussed in this report

Project Risk

- Network disruptions on account of adverse climate impact eg heavy rain, storms and earthquake by making fallback arrangement to make available energy to site.
- Close monitoring on energy expenses to uptime efficiency.
- Timely Suppliers payments in order to avoid network outages
- It is critical for the Company to execute large & complex projects within budgeted cost and schedule to avoid penalties from customers. In most of the Company's contracts there are penalties / liquidated damages and any delayed or deficient delivery may lead to a loss of profitability for the Company

Manpower Risk

The Company hasn't seen significant attrition. The Company has also chalked out a good incentive and reward scheme for employees and has thus been able to retain most of its quality manpower resources automation, IT Security & business continuity risk.

- Service related business extensively depends on IT systems to provide connectivity across business functions through software, hardware and network systems. Any failure in IT systems or loss of connectivity or any loss of data arising from such failure can impact business continuity adversely.
- The Company has implemented Disaster Recovery Plan and has effective back up systems in place to ensure business continuity.
- The Company needs to introduce effective automation in various businesses like Energy Management and Power Distribution businesses to rationalize costs, improve efficiency in delivery and improve profitability.
- Increase NOC capability to remotely monitor network performance as well as energy consumption by augmenting infrastructure in developing application by investing capex.

Technology Risk

- The Company constantly strives to identify new technology requirements and adapts to provide new services to its customers. Investments are required in training in software and service architecture for certain businesses of the Company.

IV. LEGAL & COMPLIANCE RISK

Legal and Contractual Risk

- Till date Company's customers have co–operated and we have not seen significant increase in penalties
- Litigations may arise from non–adherence to timely deliverables and SLA
- The legal proceedings initiated by some of the lenders of the Company including winding up petition filed are currently *sub–judice* and no orders have been passed in this respect.

Regulatory Risk

- The business segments that the Company operates in are heavily regulated by multiple regulators like TRAI, MERC etc. so the operations of the company may be subject to regulatory uncertainties and also impact on profitability

V. OTHER RISKS

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

Political Risk

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

The Company has identified the following risks as the top 3 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	Ranking	Relative status
Very low risk	*	No or little risk. Manageable by routine procedures. Hence, 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.

	Type of Risks and Rating	Mitigation Plan
1	Liquidity & Leverage risk *****	• The TRA account established by the Banks which helps to manage the liquidity risk by increasing transparency. • Minimize liquidity risk by ensuring revenue streams are realized fully. • Monitor Energy usage to improve margins
2	Operations risk *****	• Close monitoring on energy expenses to increase consumption to uptime efficiency. • Try and mitigate network disruptions on account of adverse climate impact eg heavy rain , storms , earthquake by making fallback arrangement to make available energy to site. • Increase NOC capability to remotely monitor network performance as well as energy consumption by augmenting infrastructure and developing application by investing capex • Vendor and Subcontractor payments to be done timely in order to avoid network outages on account of non cooperation of vendors due to delayed payment
3	Strategic Risks *****	• Expand to new customers and new services in order to reduce dependence on current customers • Harness and develop new innovations in service delivery to improve customer satisfaction • Benchmark current processes to industry best class standards

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Control Framework of the Company is devised to provide reasonable assurance regarding the achievement of objectives in the following categories:

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

With the objective of safeguarding the Company's assets and ensuring financial compliance, there are well documented and established operating procedures in the Company and its subsidiaries, in India and overseas.

The Internal Control Framework of the Company is made up of five components. They are derived from the way the management runs an operation or functions and are integrated with the management process. The components of the internal control framework are:

Control Environment

The control environment of the Company sets the tone of an organisation, influencing the control consciousness of the employees. Control environment factors include the integrity, ethical values and competence of the Company's employees; management's philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops its employees and the attention and direction provided by the Company.

Risk Assessment

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

Control Activities

The Company has a well–defined set of control activities that includes the policies and procedures that ensure management directives are carried out. They include a range of activities as diverse as approvals, authorisations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties.

Information and Communication

Information systems produce reports containing operational, financial and compliance–related information that make it possible to run and control the organization. The Information systems also ensure that effective communication occurs in a broader sense, flowing down, across and up the organization.

Monitoring

The Company has also a process to ensure that Internal Control Systems are properly monitored – a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two. Ongoing monitoring occurs in the course of operations.

An independent review of the internal control systems is also carried out by the Statutory Auditors. Any significant deficiency in internal control along with the progress in implementation of recommended remedial measures is regularly presented to and reviewed by the Audit Committee of the Board.

Internal Audit

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

Understanding and assessing the risk

- Identifying areas for systems improvement and strengthening controls
- Ensuring optimum utilization of the resources of the Company
- Ensuring proper and timely identification of liabilities
- 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 process is designed to review the adequacy of internal control checks in the system and covers all the significant areas of the Company's operations. The Internal Audit Department performs risk based audits, based on an internal audit plan, which is reviewed each year in consultation with statutory auditors and the Audit Committee. The Audit Committee reviews monthly Audit reports submitted by the Internal Auditors and tracks the implementation of corrective actions. The Internal Audit Department is well staffed with experienced members.

Some significant features of the Internal Control systems are:

- Well–defined Corporate policies on accounting and major processes
- Well–defined processes for formulating and reviewing annual and long term business plans
- Preparation and monitoring of annual budgets for all operating and support functions
- A well established Internal Audit team, which reviews and reports monthly to management and the Internal Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations
- Audit Committee of Board of Directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any

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

HUMAN RESOURCES

1. Objective

The primary objective of Human Resource (HR) function is to attract and retain talent with requisite competencies, especially for emerging businesses and focus on training and development to improve productivity thereby strengthening the competitive edge of the Company. As on March 31, 2016 GTL has 4,898 associates directly or indirectly working for the Company as against 5,043 associates in March 31, 2015.

2. Talent Management

Organizations are made up of people creating value through proven business processes, innovation, customer service, sales, and many other important activities. As an organization, we strive to meet our business goals, by making sure that we have a continuous and integrated process for recruiting, training, managing, supporting, and compensating people.

Based on the business growth, we source and recruit close to 80 professionals every month. Talent acquisition helps us to enhance efficiency and also bring about positive cultural change within the Organization.

3. Learning & Development

Learning and Development (L&D) strategy is an organizational strategy that articulates the workforce capabilities, skills or competencies required to ensure a sustainable, successful organization and that sets out the means of developing these capabilities to underpin organizational effectiveness.

Training has implications for productivity, health and safety at work and personal development. Training Need Identification (TNI) is arrived at from our Performance Appraisals' system. TNI helps employees do their work more effectively and efficiently. Based on training requirements provided by divisions / departments a Training Calendar is prepared and circulated.

GTL's training plan bears a direct and powerful relationship to its ability to recruit and to retain employees. GTL offers training opportunities that help employees become more proficient in their work and follow a career path to fulfill their career aspirations.

Effective training can help retain employees by giving them skills they need to make a difference and the confidence to keep trying, learning, and growing professionally.

In the last year our main focus was on Teamwork, Communication, Etiquettes & Grooming Programs.

Trainings:	No. of Employees Trained:
Behavioral	151
Technical	254
HSE	705
Total	**1110**

4. Health, Safety & Wellbeing (HSE)

As a leading Telecom Services Company that caters to global customers, GTL takes its Health, Safety and Environment initiatives seriously and the HSE objectives form an integral part of the overall corporate strategy. Regular trainings on awareness on HSE issue are conducted. Employees are encouraged to participate in the community activities initiated through Global Foundations, like Health awareness Seminars, Marathons, Cyclothons etc.

Employee health and safety are priority concerns. We engage in a wide range of initiatives and programs to afford them appropriate protection in the workplace. We also have an in house Medical Centre.

During the year under review, no complaint / case has been received in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder.

5. Employee Engagement

The employee engagement initiatives at GTL are undertaken with an objective of shaping a positive experience that drives advocacy, productivity and profitability. We strive for consistency and a two way communication flow – top down and bottom up, and communication that gives clarity on performance and feedback and overall, shapes organizational culture. Towards these objectives, we have several initiatives that are giving positive results.

- **Rewards and Recognition process**

We understand the importance of developing a recognition and reward program to recognize the accomplishments and validate the work of our employees.

170 employees have been recognized for their efforts through Passion for Action Program. We plan on expanding the scope of this program by recognizing performers across many more categories.

GTL aims to achieve number of results through recognition and reward programs, including:

- **Motivating and reinforcing high performance**
  - Creating a positive work environment
  - Attracting and retaining employees
  - Creating a culture of recognition
  - Increasing employee morale
  - Supporting the organization's mission and values
  - Encouraging loyalty
- **Internal communication newsletter**

  The Globalite – Internal Newsletter is a valuable communication tool and is released on a monthly basis. Information is conveyed to employees that involves both work and social activities. This includes, accomplishments, general information and how the Company is operating.

6. Looking forward the year ahead

- Improve on training system to ensure better skill upgradation. Developing our talent and ensuring that our employees have the right skills and competencies is a priority that will continue. We are committed to providing employees and administrators with the tools and skills they need and we plan on enhancing our existing offerings and developing new offerings to ensure employee success
- Raise the bar in the Reward & Recognition program by broad basing the program

QUALITY & PROCESS

Our Quality Management System has been laid on strong systems and processes in order to capture "Voice of Customers" and "Voice of Business" to help achieve our core value of "Delighting Customers through Superior Services".

At GTL, our focus is on maturing and stabilizing world class processes and procedures yielding the best possible Quality. A holistic approach is adopted to involve everyone – Employees, Customers, Suppliers, Shareholders and Society to achieve operational excellence.

Quality Initiatives at GTL

Quality initiatives at GTL are taken to achieve excellence in Business, Operations and Processes.

Business Excellence

We adopted IMC's Ramakrishna Bajaj Business Model based on Malcolm Baldrige Business Excellence Framework in 2004 and CII – ITC's Business Sustainability Award Model in 2007. The adoption of these models helped us to finetune our systems and processes to ensure sustainable growth and excellence.

Our efforts were recognized at various National and International Forums when GTL received awards in various categories as follows:

- Ramakrishna Bajaj Performance Excellence Trophy in 2008– 09.
- Ramakrishna Bajaj Outstanding Achiever Trophy in 2010– 11 for exemplary performance in all aspects of Business Excellence.
- GTL was awarded Commendation Certificate for Strong Commitment towards Sustainability in 2010–11 by CII – ITC Centre of Sustainable Development.
- International Asia Pacific Quality Organization awarded GTL Limited the "World Class Award", the highest award, in the Large Services category for the "Best Performing Organization in the World" for year 2010–11.

Process Excellence

Reinforcing its commitment to high levels of quality, bestin–class project management and robust service delivery practices, GTL attained a number of milestones during the FY 2015–16.

- Continuation of the ISO 9001:2008 (Quality Management System requirements) Certification.
- Continuation of the ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health & Safety Assessment Series) Certification.

Apart from this, GTL Limited is in the process of incorporating Energy Management System in the Operation and Maintenance System after which fresh application for TL 9000 Certification (a communications Industry–specific Quality Standard developed by QUEST Forum) may be considered. The above certifications are a testimony to GTL's commitment to achieve the highest standards of Quality.

The cornerstone of these Certifications is the in–house developed Business Management System, a vibrant, process–driven, people–oriented and customer focused Management System which is continuously evolving to cater to the requirements of the organization's varied business offerings.

Operational Excellence

GTL's operational excellence is a result of implementing a blend of Sustainability Initiatives. During the year, extensive trainings related to Environment, Health & Safety as well as etiquettes were conducted for Employees.

CORPORATE SOCIAL RESPONSIBILITY

CSR at GTL aims to take a balanced approach to address social, economic and environmental issues through diverse programs. GTL Foundation was founded in 2004 as the Global Group's Not–For–Profit arm and later renamed as Global Foundation.

Since the Company is currently in CDR, it is not able to contribute to the Global Foundation which is being managed through the generosity of employees and other donors. We take this opportunity to express our gratitude to all employees and donors for their continued participation and support.

Over the past 12 years Global Foundation has been extensively working in the field of education, health, disability and community development.

EDUCATION

Our philosophy towards education is to ensure meaningful education to the economically underserved sections so as to enable them to compete on equal footing. The educational programs cover 3 areas– Computer Education, English Language Education and Education for Peace.

- GYAN IT – Computer Education
- Knowledge on Wheels (KNOW)
- Education for Peace
- Gyanjyot Education Financial Support Program

HEALTH

Global Foundation has been creating health awareness in parts of Maharashtra and is conducting general health camps, diabetes awareness, ophthalmic and blood donation camps for more than 11 years. In the year 2015–16 a total of 35 camps were organized– 22 Eye check–up camps, 10 Blood Donation camps, 2 General Health check–up and 1 Yoga camp.

Global Foundation's mobile health van travels to areas that do not have ready access to health services. The van enables doctors and health counselors to overcome the obstacles that often prevent or deter people from obtaining important health tests. The van frequently visits community centers, old age homes and schools also to conduct various health related camps.

Emergency Medical Assistance – As per the World Health Organization (WHO) survey, there are around 30% people who die due to lack of adequate Emergency Medical Services. Emergency financial assistance for treatment is an essential part of the healthcare support provided by Global Foundation.

DISABILITY

Netra– Global Foundation intends to provide training and enables the visually impaired achieve success in pursuing higher education, cope with a competitive work environment and discover better employment opportunities.

COMMUNITY DEVELOPMENT

Village Knowledge Centre – IT Education for women & livelihood skill training programs

Every year Global Foundation extends it support to other NGOs and institutions. In 2015–16, Global Foundation joined hands with Rural Himalayan Electrification Project to install solar grid in a village cluster in Umlung–Ladakh, Chandra Shekar Venkat Raman Computer Lab– Sagroli, Nanded and Government of Maharashtra for their initiative on career guidance to students in rural areas.

ENVIRONMENT EXCELLENCE

GTL Limited is an energy–conscious, environment friendly business organization. The Company has been taking various measures to achieve continual sustainable development and has put in a comprehensive Environment Management System (EMS). GTL being a Service Provider has limited impact in terms of Environmental Pollution.

Some of the Initiatives taken are described below:

1) **Statutory & Voluntary Compliances**

   Through the EMS framework, GTL ensures that it complies with relevant laws of the land and provides for a work environment that is safe.

2) **Consumption of Natural Resources**

   The Company also actively monitors the consumption of electricity, water & paper. As an offshoot from the EMS, GTL developed Green Energy based Solutions for Telecom Towers under the Energy Management System. GTL's Energy Management Services help in reducing Electricity and Diesel consumption expenses of Telecom sites.

   The Energy Management Solutions harness wind / solar / free cooling and other solutions that reduce the electricity and diesel requirements. These solutions coupled with energy audits and reduced power losses, help the Telecom Customers reduce their power consumption and carbon footprints.

Abbreviations

2G	2nd Generation
3G	3rd Generation
4G	4th Generation
BTS	Base Transceivers Station
BSC	Base Station Controller
CDMA	Code Division Multiple Access
DAS	Distributed Antenna System
DF	Distribution Franchise
DWDM	Dense Wavelength Division Multiplexing
EPC	Engineering, Procurement and Commission
EVDO	Evolution–Data Optimized
GSM	Global System for Mobile Communication
KPI	Key Performance Indicators
LTE	Long–Term Evolution
MW	Microwave
NOC	Network Operation Center
OEM	Original Equipment Manufacturer
PDSS	Project Delivery Support Services
RFDS	Radio Frequency Distribution System
SDH	Synchronous Digital Hierarchy
SLA	Service Level Agreement
UMTS	Universal Mobile Telecommunications System
Wi–MAX	Worldwide Interoperability for Microwave Access

Your Directors submit Twenty Eighth Annual Report together with the Audited Accounts for the year ended March 31, 2016.

1. STATE OF THE COMPANY'S AFFAIRS:

FINANCIAL HIGHLIGHTS

(₹ in Crore)

Particulars	FY 2015–16		FY 2014–15	
	Consolidated	Standalone	Consolidated	Standalone
Total Income	1,826.74	1,282.87	2,586.59	2,151.34
Profit / (Loss) before Depreciation, Interest and Financial Charges (Net), Exceptional items and Tax (PBDIT)	(297.40)	(9.74)	(274.67)	(54.12)
Profit / (Loss) before Depreciation, Exceptional and Tax (PBDT)	(879.20)	(541.91)	(795.46)	(522.36)
Less: Depreciation	103.10	98.50	139.99	126.22
Profit / (Loss) before Tax, exceptional item and extra–ordinary items	(982.30)	(640.41)	(935.45)	(648.58)
Exceptional items	(1,901.34)	(1,967.03)	(152.71)	(152.71)
Less: Provision for Taxation (incl. Short Provision for Income Tax and Deferred Tax)	31.85	Nil	15.47	Nil
Profit / (Loss) after Tax (PAT) before Extra–ordinary and Prior Period items	(2,915.49)	(2,607.44)	(1,103.63)	(801.29)
Add / (Less): Extra–ordinary item	Nil	Nil	Nil	Nil
Add: Minority Interest	0.06	N.A.	0.55	N.A.
Add: Share of Profits in Associates	(17.63)	N.A.	(11.81)	N.A.
Add: Balance brought forward from the last year	(2,058.28)	(1,939.52)	(943.39)	(1,138.23)
Profit / (Loss) available for Appropriation	(4,991.34)	(4,546.96)	(2,058.28)	(1,939.52)
Appropriations:				
Recommended Equity dividend	Nil	Nil	Nil	Nil
Dividend Distribution Tax	N.A.	N.A.	N.A.	N.A.
Amount transferred to				
– General Reserve	Nil	Nil	Nil	Nil
– Debenture Redemption Reserve	Nil	Nil	Nil	Nil
Balance Carried Forward	(4,991.34)	(4,546.96)	(2,058.28)	(1,939.52)

2. RESULTS OF OPERATIONS

The financial highlights of the Company on a standalone basis for the financial year under review are as follows:

- Total Income is ₹ 1,282.87 Crore as against ₹ 2,151.34 Crore for the previous financial year.
- Operating Profit/(Loss) (before Depreciation, Interest and Financial Charges (Net) and Tax) (PBDIT) is ₹ (9.74) Crore as against ₹ (54.12) Crore for the previous financial year.
- Profit/(Loss) after Tax (PAT) is ₹ (2,607.44) Crore as against ₹ (801.29) Crore for previous financial year.

3. CORPORATE DEBT RESTRUCTURING (CDR)

Performance

- Paid ₹ 1,183 Crore to secured and unsecured lenders without any new borrowings;
- Paid ₹ 494.23 Crore to the Government towards various taxes including VAT, Service Tax etc.;

- Issued equity shares to CDR Lenders for value of ₹ 189 Crore;
- Realized current assets to the extent of ₹ 1,863 Crore;
- Cash flows administered and monitored through the Trust and Retention Account (TRA); and
- Complied with other CDR requirements such as infusion of Promoter's contribution, monthly concurrent audits, creation of security in favour of secured lenders, etc.

Post CDR Developments

The revival of the Company post CDR got affected on account of adverse developments in the Telecom and Power Sectors as under:

Telecom

- Cancellation of 122–2G licenses by Supreme Court of India (SC) in February 2012: The SC in a rare judgement jn February 2012 cancelled 122–2G telecom licenses of operators like Uninor, Videocon, Etisalat, IDEA, Tata etc;
- Slower 3G and BWA growth since auctions: Barely 3–4% of the 3G and BWA revenue/subscriber targets achieved against an investment of ₹ 1.20 Lac Crore invested by Operators towards license fees for 3G & BWA;
- Freeze on fresh debt and equity: Anxiety and negative sentiments towards the sector due to financial stress, contentious tax claims and criminal investigations of promoters and banks related to previous spectrum allocations etc. led to complete freeze of fresh capital outlays towards the sector.

Aircel Group's suspension of 20,000 tenancy commitments

Based on Aircel Groups commitment of 20,000 additional tenancies to the Company's Associate Tower companies (Tower Co.) in FY 2010, as a turnkey service provider of Tower Co., the Company envisaged Revenue opportunity of ₹ 17,170 Crore over 5 years, as summarized and stated in the Notice of postal ballot dated January 14, 2010 to shareholders and as detailed below:

(₹ in Crore)

Services Offering	2010–11	2011–12	2012–13	2013–14	2014–15	Total
Network Deployment	1,250	1,250	1,250	1,250	1,250	**6,250**
Network Maintenance	486	594	702	810	918	**3,510**
Energy Management	540	660	780	900	1,020	**3,900**
Active Infrastructure Management	486	594	702	810	918	**3,510**
Total Business Opportunity	**2,762**	**3,098**	**3,434**	**3,770**	**4,106**	**17,170**

However, due to the sluggish telecom environment, slower than anticipated 3G growth, government enquiries into the 2G scam and its negative impact on financials, the Aircel Group had to curtail its expansion plans and also close down operations in non–viable telecom circles. Resultantly, Aircel Group cancelled / terminated major portion of its additional tenancy commitment to the Tower Co. in July 2013 leading to significant loss to the Company in revenue and EBITDA.

BSNL suspension of contract of 93 million fixed lines

Bharat Sanchar Nigam Ltd. (BSNL) invited sealed tenders from Eligible Bidders, on 'Rupee Payment basis' for planning, engineering, supply, installation, testing & commissioning of GSM / UMTS based cellular mobile network along with supply, installation, testing & commissioning of infrastructure for network of capacity for 93 million lines. This expansion was meant to be rolled out in three phases. The tenders were floated zone–wise with the North, West and South zones having 25 million lines each and the East Zone having 18 million lines.

a. In 2010, GTL had bid and won a contract from BSNL, being L2 and L3, out of the contract of 93 million fixed lines.

b. However, the government after much deliberation and delay, based on the recommendations of CVC asked BSNL to cancel the contract that led to an estimated loss of Revenue of ₹ 3,000 Crore to the Company spreading over the next three financial years.

The investments and advances made towards procurement for implementation of the Aircel and BSNL contracts led to disputes / cancellation of the contracts and attendant consequences; and the mobilization efforts for material and manpower also became a wasteful exercise.

Power

- Debt woes of DISCOMS: High indebtedness of the power generation and distribution companies has forced them to restructure their debts of ₹ 1.5 –1.7 Lac Crore;
- Delay in power tariff hikes: Tariff hikes which are inevitable for financial sustainability and growth of the sector are delayed due to the regulatory and political interventions;
- Slash in power tariffs by 20% in Maharashtra;
- Higher T&D losses than disclosed by regulatory authority; and
- Refusal of lenders to offer SBLC despite approval in CDR package.

Cancellation of MSEDCL Contract

With initial discussions starting in 2009, the contract was finally signed in May 2011. The two main factors for growth and profitability of the DF Business as factored in CDR were capex investment of ₹ 192 Crore to reduce AT and C losses and issuance of SBLC to MSEDCL.

However, the Power Distribution Franchise Contract was terminated on November 17, 2014 due to the factors beyond the management control. Apart from the operation and contractual issues for such termination, other major issues was also non–provisioning of SBLC by certain lenders despite such limits being approved under the CDR package.

Consequently, the Company's annual revenue was reduced by ₹ 1,200 Crore per annum, and impacting the Company's projected business. The Company is pursuing its various contractual claims with MSEDCL such as claims including but not limited to wheeling charges, unauthorised use of feeders by MSEDCL, Capex Claims etc.

As it can be seen from the above, the issues governing the telecom and power sector had a negative impact on the performance of the Company. The Company lost a substantial portion of its revenue and EBITA on account of the issues beyond the management control affecting its business, pertinently the business anticipated out of Aircel and BSNL rollouts and MSECDL DF business.

Current Status

While the above developments affected the revenue and profitability of the Company, the inter–creditors' issues led to filing of winding up petition by the NCD Holder and issue of notice / obtaining of order from a Court by the ECB lenders, all of which made it difficult for the Company to continue servicing its debts. To address these challenges, the Company is in discussion with the lenders to monetize its investments, core / non–core assets and business for negotiated settlement of debts, which has been agreed in principle by all the lenders.

Going Concern

In the last few years, the Company has incurred cash losses, resulting in erosion of its entire net–worth. The Company's current liabilities are higher than its current assets as a consequence of accumulated interest and write–offs.

The legal proceedings initiated by some of the lenders of the Company including winding up petition filed are currently *sub–judice* and no orders have been passed in this respect.

The Company has made a proposal for a negotiated settlement of debts to all lenders by sale of its core / non–core assets, which has been agreed in principle by all the lenders.

Pending the implementation of the Company's proposal for negotiated settlement of debts, the Company continues to recognize its loan liabilities to CDR lenders as per the repayment terms specified in CDR package.

The management is of the view that once the Company's proposal for negotiated settlement of its debts, which is now agreed in–principle and when implemented, the doubt on the Company's inability to repay and meet its debt

/ liabilities would cease to exist and it will be in a position to continue with the business operations and generate adequate cash flows.

Accordingly, the financial statements / results have been prepared on the basis that the Company is a going concern and no adjustments are required in the carrying value of its assets and liabilities.

Investments

The Company has investments in Associates, GTL Infrastructure Ltd. (GIL) and Chennai Network Infrastructure Ltd. (CNIL). Both, GIL and CNIL have been admitted into CDR. The CDR package provides various financial restraints on these associates for transferring funds to the Company. Based on the legal opinions sought by the Company, such restrains faced by GIL and CNIL constitute severe long term restrictions, significantly impairing their ability to transfer any funds to the Company as envisaged in Para 7(b) of Accounting Standard–23 (AS–23) and therefore, the Company has accounted investment in these associates as per AS–13.

The Company's share in Associate, Global Rural Netco Limited is accounted based on un–audited financial statements for the year ended March 31, 2016.

4. RECENT DEVELOPMENTS AT MACRO & MICRO ECONOMIC LEVELS

Key Indicators:

- The number of wireless subscribers in India increased from 969.89 million at the end of Mar–15 to 1,026.66 million at the end of Feb–16.
- The urban subscription increased from 555.71 million at the end of Mar–15 to 587.55 million at the end of Feb–16.
- The rural subscription increased from 414.18 million at the end of Mar–15 to 439.11 million at the end of Feb–16.
- The monthly growth rates of urban and rural subscription were 0.79% and 0.94% respectively during the month of Feb–16.
- The overall Tele–density in India increased from 77.27 at the end of Mar–15 to 80.91 at the end of Feb–16.
- The share of urban subscribers and rural subscribers at the end of Feb–16 was 57.23% and 42.77% respectively.

Telecom Market Growth Drivers:

- Unique subscriber Penetration is still low, giving scope to further widening of telecom infrastructure.
- The move to 3G is accelerating, helped by network sharing.
- The 4G era commences.
- Data Traffic increasing day by day putting pressure on existing network.
- Internet of Things will further increase need of sound infrastructure.
- Digital India Initiative likely to benefit Telecom Sector.
- Margin erosion and spectrum costs are likely to stimulate market consolidation.

5. DIVIDEND:

Since your Company has posted losses and is currently under Corporate Debt Restructuring Mechanism, your Directors express their inability to recommend any dividend on the paid up Equity and Preference Share Capital of the Company for the financial year ended March 31, 2016.

6. SHARE CAPITAL AND NON CONVERTIBLE DEBENTURES (NCDs):

i) Equity:

The movement of Equity Capital due to allotment of shares, if any, is as under:

Particulars	No. of Equity Shares
Equity Capital as on April 1, 2015	157,296,781
Add: Allotment of equity shares during the year	Nil
Equity Capital as on March 31, 2016	**157,296,781**

The Company has only one class of equity shares and it has not issued equity shares with differential rights or sweat equity shares. Also, the Company has cancelled all its outstanding Employee Stock Option Schemes (ESOS) in FY 2012–13. Thus, the details required to be furnished for equity shares with differential rights and / or sweat equity shares and / or ESOS as required under the Companies (Share Capital and Debentures) Rules, 2014 are not furnished.

ii) Preference:

During the FY 2012–13, the Company had issued and allotted 65,00,00,000 Non Participating Optionally Convertible Cumulative Preference Shares of the face value of ₹ 10/– each aggregating ₹ 650 Crore. The Preference shareholder had option for conversion into equity shares at any time after six months but before eighteen months from the date of allotment viz. September 28, 2012, on the terms and conditions as detailed in Note No. 2.1.4. of Notes to Accounts. However, the Preference shareholder did not exercise its right for conversion of these preference shares into equity within the stipulated time period and resultantly, there will not be any impact on the Company’s equity capital.

iii) NCDs:

During the FY 2009–10, the Company had privately placed 14,000 Rated Redeemable Unsecured Rupee NCDs of the face value of ₹ 10 Lakh each aggregating ₹ 1,400 Crore, which were listed under debt segment of BSE Limited. In view of pending restructuring of NCDs due to non–completion of documentation, currently, the same are suspended for trading.

7. 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.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Manoj G. Tirodkar – Chairman & Managing Director retires by rotation and being eligible, offers himself for reappointment.

The background of the Director proposed for reappointment is given in the Corporate Governance Report, which forms part of this Report.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, currently, Mr. Manoj G. Tirodkar – Chairman & Managing Director, Mr. Sunil S. Valavalkar – Whole–time Director, Mr. Vidyadhar A. Apte – Company Secretary and Mr. Milind V. Bapat – Chief Financial Officer are the key managerial personnel of the Company.

9. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below:

i) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Executive Directors	Ratio to median remuneration
Mr. Manoj G. Tirodkar	9.35
Mr. Sunil S. Valavalkar	3.1
Non–executive Directors (Sitting Fees only) *	**Ratio to median remuneration**
Mr. Vijay M. Vij	N.A.
Mr. D. S. Gunasingh	N.A.
Mr. Navin J. Kripalani	N.A.
Mr. Dilip Kumar Mandal	N.A.
Mrs. Siddhi M. Thakur	N.A.

** Since Non–executive Directors received no remuneration except sitting fees for attending Board / Committee meetings, the required details are not applicable.*

ii) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Manoj G. Tirodkar – Chairman & Managing Director	No change
Mr. Sunil S. Valavalkar – Whole–time Director	No change
Mr. Vijay M. Vij	N.A.
Mr. D. S. Gunasingh	N.A.
Mr. Navin J. Kripalani	N.A.
Mr. Dilip Kumar Mandal	N.A.
Mrs. Siddhi M. Thakur	N.A.
Mr. Milind V. Bapat – Chief Financial Officer	No change
Mr. Vidyadhar A. Apte – Company Secretary	No change

iii) **The percentage increase in the median remuneration of employees in the financial year:** 5.8%

iv) **The number of permanent employees on the rolls of Company:** 372

v) **The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 1.4% in India.

Employees outside India were granted wage increase between 5% to 7%.

The increase in remuneration is in line with the market trends in the respective countries.

vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

(₹ in Crore)

	Standalone	Consolidated
Aggregate remuneration of Key Managerial Personnel (KMPs) in FY 2015–16	2.09	2.09
Revenue	1,241.65	1,707.15
Remuneration of KMPs (as % of revenue)	0.17	0.12
Profit Before Tax (PBT) (prior to Exceptional item)	(640.41)	(982.30)
Profit Before Tax (PBT) (post Exceptional item)	(2,607.44)	(2,883.65)
Remuneration of KMPs (as % of PBT)	N.A.	N.A.

vii) **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalization (₹ Crore) *	184.04	192.69	(4.49)
Price Earnings Ratio	(0.07)	(0.24)	(0.25)

**based on closing market price on NSE on the respective year end dates*

viii) **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31, 2016	April 18, 1994 (FPO)	% Change	April 18, 1994 (Rights)	% Change
Market price (BSE)	₹ 11.76	₹ 20.00	(41.20)	₹ 17.50	(32.80)
Market price (NSE)	₹ 11.70	₹ 20.00	(41.50)	₹ 17.50	(33.14)

ix) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase in salaries of employees is 1.4% and there is no change in managerial remuneration during the year.

x) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**

	Mr. Manoj G. Tirodkar – Chairman & Managing Director	Mr. Sunil S. Valavalkar Whole–time Director	Mr. Milind V. Bapat – Chief Financial Officer	Mr. Vidyadhar A. Apte – Company Secretary
Remuneration in FY 2015–16 (₹ Crore)	0.45	0.15	0.74	0.75
Revenue (₹ Crore)	1,241.65			
Remuneration as % of revenue	0.04	0.01	0.06	0.06
Loss Before Tax (PBT) (₹ Crore) (before Exceptional item)	(640.41)			
Loss Before Tax (PBT) (₹ Crore) (after Exceptional item)	(2,607.44)			
Remuneration as % of PBT	N.A.	N.A.	N.A.	N.A.

xi) **The key parameters for any variable component of remuneration availed by the directors:**

Key parameter for variable component is the achievement of Corporate Objectives of the Company.

xii) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** 1:6.75

xiii) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per remuneration policy of the Company.

10. DIRECTORS RESPONSIBILITY STATEMENT:

In terms of the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, in respect of the year ended March 31, 2016, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;

ii. they had 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 at the end of the financial year and of the loss of the Company for that period;

iii. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they had prepared the annual accounts on a going concern basis;

v they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors of the Company have furnished a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

12. POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION ETC.:

The Company has put in place appropriate policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013, which is provided in the Policy Dossier that has been uploaded on the Company's website www.gtllimited.com. Further, salient features of the Company's Policy on Directors' remuneration have been disclosed in the Corporate Governance Report, which forms part of this Report.

13. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

The Board of Directors has carried out annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and corporate governance requirements as prescribed by the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The performance of the Board and its Committees was evaluated by the Board after seeking inputs from the Board / Committee members on the basis of the criteria such as composition of the Board / Committees and structure, effectiveness of Board / Committee processes, providing of information and functioning etc. The Board and Nomination & Remuneration Committee also reviewed the performance of individual Directors on the basis of criteria such as attendance in Board / Committee meetings, contribution in the meetings like preparedness on issues to be discussed etc.

In a separate meeting of Independent Directors, performance of non–independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking in to consideration views of executive and non–executive Directors.

14. MANAGEMENT DISCUSSION AND ANALYSIS:

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V to the Listing Regulations, is presented in a separate section forming part of the Annual Report.

15. CORPORATE GOVERNANCE & VIGIL MECHANISM:

A separate Corporate Governance Report on compliance with Corporate Governance requirements as required under Regulation 34(3) of the Listing Regulations forms part of this Report. The same has been reviewed and certified by M/s. Godbole Bhave & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants the Joint Auditors of the Company and Compliance Certificate in respect there of is given in **Annexure A** to this Report.

The Company has formulated a Whistle Blower Policy details of which are furnished in the Corporate Governance Report thereby establishing a vigil mechanism for directors and permanent employees for reporting genuine concerns, if any.

16. RISKS:

A separate section on risks and their management is provided in the MD&A Report forming part of the Annual Report, which covers the development and implementation of risk management framework. The Audit Committee monitors the risk management plan and ensures its effectiveness. It is important for shareowners and investors to be aware of the risks that are inherent in the Company's businesses. The major risks faced by your Company have been outlined in this section to allow stakeholders and prospective investors to take an independent view. We strongly urge stakeholders / investors to read and analyze these risks before investing in the Company.

17. CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and other details furnished in **Annexure B** of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For CSR initiatives undertaken by Global Foundation, please refer to MD&A Report under the caption "Corporate Social Responsibility". The CSR Policy is available on the Company's website www.gtllimited.com.

18. AUDIT COMMITTEE:

The details in respect of composition of the Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

19. AUDITORS AND AUDITORS' REPORT:

Joint Auditors:

M/s. Godbole Bhave & Co., Chartered Accountants, Mumbai and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai, were appointed as Joint Auditors at the Twenty Sixth (26th) Annual General Meeting to hold office from conclusion of the said meeting till the conclusion of the Twenty Ninth (29th) Annual General Meeting. The Company has received the necessary certificates from the Joint Auditors pursuant to Sections 139 and 141 of the Companies Act, 2013 regarding their eligibility for appointment. In pursuance of the provisions of Section 139 of the Companies Act, 2013, an appropriate resolution for ratification of the appointments of M/s. Godbole Bhave & Co., Chartered Accountants, Mumbai and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai, as Joint Auditors of the Company is being placed at the ensuing Annual General Meeting.

Cost Auditors:

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, since the Company's business (telecom networking services) is not included in the list of industries to which these rules are applicable, the Company has not considered appointment of Cost Auditors from the financial years 2015–16 onwards.

The relevant cost audit reports of FY 2014–15 were filed with Ministry of Corporate Affairs on October 9, 2015.

Joint Auditors' Report

As regards the Joint Auditors' comment / observation / emphasis of matters, the Board has furnished required details / explanations in Note Nos. 2.8.1, 2.40, 2.31.1, 2.11.3 and 2.24.1 of Notes to Standalone financial statements.

Secretarial Auditors' Report

The Secretarial Auditors' Report does not contain any qualifications, reservations, disclaimers or adverse remarks and the same is given in **Annexure C** (Form No. MR–3) forming part of this report.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans, guarantees and investments have been disclosed in the financial statements as under:

Details of investments made by the Company are given under the respective heads (refer note 2.11 of notes to the Standalone financial statements).

No loans are given by the Company to any person / entity except to its employees as at March 31, 2016.

Details of Corporate Guarantees given by the Company as at March 31, 2016 are as under:

(₹ in Crore)

Sr.	Name of the Company	As at March 31, 2016	As at March 31, 2015
1	Subsidiaries	165.39	166.82
2	Other Body Corporate	425.00	425.00

Refer Note No 2.12.2 of notes to financial statements

The Company has given above guarantees in its normal course of business in India and abroad. The guarantees are normally given:

- for performance of their business obligations; and
- to enable them to avail financial assistance.

21. PARTICULARS OF RELATED PARTY TRANSACTIONS:

All related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.gtllimited.com. None of the Directors has any pecuniary relationships or transactions vis–à–vis the Company. The particulars as required under the Companies Act, 2013 are furnished in **Annexure D** (Form No. AOC–2) to this report.

22. MATERIAL CHANGES AND COMMITMENTS:

Save and except as discussed in this Annual Report, no material changes have occurred and no commitments were given by the Company thereby affecting its financial position between the end of the financial year to which these financial statements relate and the date of this report.

23. SUBSIDIARIES:

The Company has been carrying on its domestic and international operations through some of its subsidiaries. The operations of most of the subsidiaries are loss making on account of the general economic slowdown and the factors affecting the Telecom Industry. In North America, the continuous loss made by the subsidiary led to admission of the subsidiary into bankruptcy and later sale of the investment as per the Scheme of Reorganisation approved by the Bankruptcy Court in USA. On account of the admission of the Company into CDR, it is unable to extend both operational and financial support to the subsidiaries. Under these circumstances, except some of the subsidiaries, whose operations are viable, the operations of other subsidiaries have been scaled down or closed down. In view of this, the Company is continuing operations only in those projects and countries, which have potential for growth at low working capital. The Company has closed / is in the process of closing its operations in subsidiaries in Sri Lanka, Kenya, Bangladesh, Taiwan, China, Malaysia, Indonesia, Tanzania, Philippines, KSA, UAE and Nigeria, while it is continuing its operations in UK, Myanmar, Nepal and Singapore.

Further, as per the negotiated settlement plan submitted for settlement of the outstanding debt with all of its lenders, the Company has to dispose of some of its investments as contemplated under the approved CDR package *inter–alia* investments in its subsidiary companies, for which an appropriate resolution is being placed at the ensuring Annual General Meeting.

Pursuant to Accounting Standard 21 (AS 21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include information about its subsidiaries. The Company's revenue from its overseas subsidiaries for the year ended March 31, 2016, on a consolidated basis is ₹ 465.72 Crore (US$ 70.07 Mn.)

As required by the Companies (Accounts) Rules, 2014, a report on performance and financial position of each of the subsidiaries and associate companies included in the Consolidated Financial Statement, is presented in **Annexure E** (Form No. AOC–1).

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Conservation of Energy:

i. the steps taken or impact on conservation of energy:

As per Green mandate for Telecom Towers issued by Department of Telecommunications, there is an opportunity to increase green portfolio by complying with it and will help in reduction in carbon footprints with the help of green technology. Use of less power and cost efficiency will result in high up time thus achieving operational efficiency. There have been constant efforts in converting many sites as "Green" sites by way of electrification as part of these initiatives.

ii. the steps taken by the Company for utilizing alternate sources of energy:

- The Company initiated a pilot project of installation of Fuel Cell System (FCS) and Lithium Ion batteries instead of Diesel Generators (DG) on few Tower sites under OPEX model with a solution partner for uninterrupted energy supply for better Up–Time;
- FCS run as per the preferred duty cycle to provide backup power to the sites and will operate during the grid power unavailability; and
- These batteries help in reducing DG run hours.

iii. the capital investment on energy conservation equipments:

Not Applicable

b) Technology Absorption:

i. the efforts made towards technology absorption:

- Tower monitoring methodology for operators using Network Management Software and bespoke portals to monitor additional sites across different operators and circles;
- Automation of Trouble Tickets (TTs) from Operation Support System (OSS) alarms via BMC Remedy TT application and integrating it with SMS alarm alerts;
- Testing and implementation of solutions such as video surveillance and workforce tracking (WFT) on Pan India basis;
- Automation & designing of Key Performance Indicators / Service Level Agreement (KPI / SLA) portal as per Master Services Agreement with the customer by creating a on Line portal which will display various key performance Indicators and service Level Agreement parameters per circle as well as at national level using Java++ for application development, using pentaho open source data analytics and intelligence platform;
- Integration of various data inputs such as OSS logs from various OEMs like NSN, Ericsson, ZTE, Huawei, trouble tickets from Remedy tool, preventive maintenance data of site assets, Resource management data etc.;
- Creating an algorithm logic (software application framework) as per Master Services Agreement (MSA) by using various data inputs and sources to compute monthly KPIs, SLAs; and
- Implemented using best in class hardware and software platform at state of the art infrastructure of Network Operations Centre (NOC) @ Hinjewadi, Pune having intelligent video walls, functional data centre with hosting and collocation facilities etc. to fully support the active and passive Infrastructure of telcos in terms of tracking preventive maintenance, alarms verifications, vendor management and coordination with testing and absorption facilities for new technology.

ii. **the benefits derived like product improvement, cost reduction, product development or import substitution:**

- Contractual compliance as per MSA to measure performance on monthly basis across various KPIs / SLAs;
- Using various types of data dimensions such as volume, variety, velocity and veracity can manage Big Data requirement;
- On Time reporting of these KPIs / SLAs with high level data integrity;
- Will help in achieving high level of scalability, reliability, flexibility and adoptability;
- Enhanced ability with higher efficiency, optimizing technological resources, value for money returns and simplification of management of technical architecture; and
- Additional sites and tenancies are now monitored across 24x7 resulting enhancing the Up–time.

This helps in managing the major operations error free with no human intervention as well higher alarm load to trouble tickets can be handled more precisely.

iii. **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

a. the details of technology imported:	Not Applicable
b. the year of import:	
c. whether the technology been fully absorbed:	
d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:	

iv. **the expenditure incurred on Research and Development:**

a. Capital	₹ 0.15 Crore
b. Recurring	₹ 6.50 Crore

c) **Foreign exchange earnings and Outgo:**

During the year under review, the Company earned in terms of actual inflows foreign exchange of ₹ 0.22 Crore and the foreign exchange outgo in terms of actual outflows / expenditure is ₹ 33.93 Crore, particulars of which are furnished in Note No. 2.35 of the Notes to the financial statements.

25. INTERNAL FINANCIAL CONTROL SYSTEM:

The details in respect of adequacy of internal financial control with reference to the financial statements are included in the MD&A Report, which forms part of the Annual Report.

26. HUMAN RESOURCES:

Our associate base stood at 4,898 as on March 31, 2016 as against 5,043 as on March 31, 2015. For full details refer to the Human Resources write up in the MD&A Report, which forms part of the Annual Report.

27. EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2016:

The required details are furnished in **Annexure F** (Form No. MGT–9) to this report.

28. NUMBER OF BOARD MEETINGS HELD DURING THE FY 2015–16:

4 (Four) meetings of the Board were held during the year, details of which are furnished in the Corporate Governance Report that forms part of this Report.

29. PROMOTER GROUP:

The Company is a part of Global Group of Companies, promoted by Mr. Manoj. G. Tirodkar. The promoter group holding in the Company currently is 44.23% of the Company's paid–up Equity Capital. The members may note that the Promoter Group, *inter–alia* comprises of Mr. Manoj. G. Tirodkar and Global Holding Corporation Pvt. Ltd.

30. PARTICULARS OF EMPLOYEES:

In terms of the provisions of sub–rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, names and other particulars of the employees are required to be set out in an annexure to this report. Further, the report and the Financial Statement are being sent to the shareholders excluding the aforesaid annexure. In term of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office. None of the employees listed in the said annexure are related to any Director of the Company.

31. SPECIAL BUSINESS:

As regards the items of the Notice of the Annual General Meeting relating to Special Business, the Resolution(s) 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.

32. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and cooperation 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
April 28, 2016

Manoj G. Tirodkar
Chairman & Managing Director

ANNEXURE A TO DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
GTL Limited

1. We have examined the compliance of conditions of Corporate Governance by GTL Limited ("the Company"), for the year ended on 31st March, 2016, as stipulated in:
   - Clause 49 (excluding clause 49(VII) (E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
   - Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
   - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
   - Regulations 17 to 27 [excluding regulation 23(4)] and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. We draw your attention to Point No. 5(a)(ii) of the Report on Corporate Governance regarding remuneration paid to a Whole Time Director, which is subject to the approval of Central Government.
5. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
6. 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.

For **Godbole Bhave & Co.**
Chartered Accountants
Firm Reg. No.– 114445W

M. V. Bhave
Partner
Membership No.– 38812

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

S. S. Yeolekar
Partner
Membership No.– 36398

Place: Mumbai
Date: 28th April, 2016

ANNEXURE B TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2015–16
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014.]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web–link to the CSR policy and projects or programs:**

   GTL acknowledges debts towards the society in which it operates and in order to discharge its responsibility, it will undertake, when permissible, various projects through 'Global Foundation', a Public Charitable Trust for the betterment of the society and in particular in the areas such as education, health, community service, medical assistance and rural education particularly in IT through 'Mobile Computer Lab' etc. For more particulars about the Company's CSR Policy, please visit its website www.gtllimited.com/investors

2. **The Composition of the CSR Committee:**

   The Company has constituted a Corporate Social Responsibility Committee of Directors comprising of Mr. Manoj G. Tirodkar, Chairman of the Committee, Mr. Navin J. Kripalani, Mr. Sunil S. Valavalkar and Mrs. Siddhi M. Thakur (w.e.f. 09/02/2016).

3. **Average net profit of the Company for last three financial years:** Loss (₹ 1,292.83 Crore)

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

   N.A. in view of losses incurred by the Company.

5. **Details of CSR spent during the financial year:**

   a. **Total amount to be spent for the financial year:** N.A.

   b. **Amount unspent, if any:** N.A.

   c. **Manner in which the amount spent during the financial year:** N.A.

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** N.A. in view of losses incurred by the Company.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

   We hereby declare that implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Manoj G. Tirodkar
Chairman & Managing Director and
Chairman – Corporate Social
Responsibility Committee

Mumbai
April 28, 2016

ANNEXURE C TO THE DIRECTORS' REPORT

Form No. MR–3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

GTL Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GTL Limited (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the GTL Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 has prima facie complied with the statutory provisions listed hereunder:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on March 31, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under:–

  a) Non convertible debenture holders had filed the petition for winding of the Company and the matter is currently sub–judice.

  b) The Company had made settlement proposal and the same has been agreed in principle by all lenders.

  c) Debenture redemption reserve not created due to non–availability of profit.

  d) Managerial Remuneration paid to directors is subject to the approval of Central government, Confirmation is awaited.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(iv) The Depositories Act, 1996 and the Regulations and Bye–laws framed there under;

(v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):–

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

  (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

  - Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2016:–

    (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

    (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) For the other applicable laws our audit was limited to following Acts and prima facie the Company had complied the same.

(a) Factories Act, 1948

(b) Industrial Disputes Act, 1947

(c) The Payment of Wages Act, 1936

(d) The Minimum Wages Act, 1948

(e) Employees State Insurance Act, 1948

(f) The Employees Provident Fund & Miscellaneous Provisions Act, 1952

(g) The Payment Of Bonus Act, 1965

(h) The Payment of Gratuity Act, 1972

(i) The Contract Labour (Regulations & Abolition) Act, 1970

(j) The Maternity Benefit Act, 1961

(vii) I have also examined compliance with the applicable clauses of the following:

(a) The Listing agreements entered into by the Company with the stock exchanges viz., BSE Limited and National Stock Exchange of India Limited.

(b) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India

During the period under review the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above I further report that:

(a) I rely on statutory auditor's report for the financial year 2015–16 in relation to the financial statements and accuracy of the financial figures for, Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC etc. as disclosed under financial statements, Accounting Standard 18 & note on foreign currency transactions during our audit period.

(b) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non–Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(c) As per the information provided adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(d) As per the information provided majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

(e) Prima facie adequate systems & processes are in place in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines.

(f) The management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/records required by the concerned authorities and internal control of the concerned department.

(g) During the audit period the Company has no specific events like Public/Right/Preferential issue of shares/debentures/sweat equity, etc.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Virendra Bhatt
ACS No – 1157
COP No – 124

Place: Mumbai
Date: April 28, 2016

ANNEXURE D TO THE DIRECTORS' REPORT

Form No. AOC–2

(Pursuant to clause (h) of sub–section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub–section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions	Contracts / Arrangement / transactions value (₹ Crore)	Date(s) of approval by the Board, if any.	Amount paid as advance, if any (₹ Crore)
GTL Infrastructure Limited	Associate	Energy Management Agreement	10 Years w.e.f. April 1, 2015	Provision of Power (Electricity) and Fuel under Fixed Energy Management Services Contract	309.79	N.A.	Nil
Chennai Network Infrastructure Limited	Associate	Energy Management Agreement	10 Years w.e.f. April 1, 2015	Provision of Power (Electricity) and Fuel under Fixed Energy Management Services Contract	180.38	N.A.	Nil

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

Place : Mumbai
Date : April 28, 2016

ANNEXURE E TO THE DIRECTORS' REPORT

Form No. AOC–1

(Pursuant to first proviso to sub–section (3) of section 129 of the Act read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures:

Part "A": Subsidiaries

(amounts in ₹ Crore)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Reporting Period	Exchange Rate Balance Sheet	Exchange Rate Profit and Loss	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed / Interim Dividend	% of Shareholding
Operating Companies:																
A	ADA Cellworks Wireless Engineering Pvt. Ltd.	INR	31–Mar	1.000	1.000	0.09	1.25	1.66	1.66	NIL	–	(0.30)	–	(0.30)	–	100
B	International Global Tele–Systems Ltd.	USD	31–Dec	66.425	65.633	476.68	(885.16)	242.35	242.35	NIL	–	(1,036.90)	–	(1,036.90)	–	100
C	GTL International Ltd.	USD	31–Dec	66.425	65.633	53.14	(113.77)	324.88	324.88	NIL	5.67	(132.92)	–	(132.92)	–	100
C.1	GTL (Singapore) Pte. Ltd..	USD	31–Dec	66.425	65.633	2.00	22.10	39.68	39.68	NIL	22.68	15.64	0.45	15.19	–	100
C.2	GTL Overseas (Middle East) DMCC #	AED	31–Dec	18.199	17.982	0.09	(14.91)	29.49	29.49	NIL	25.67	2.70	–	2.70	–	100
C.3	GTL Europe Ltd.	GBP	31–Dec	99.894	98.459	4.99	6.01	59.55	59.55	NIL	220.78	15.97	3.23	12.74	15.75	100
C.4	GTL Nepal Pvt. Ltd.	NPR	31–Dec	0.634	0.631	1.23	18.84	48.41	48.41	NIL	70.21	17.05	4.76	12.28	13.41	100
C.5	iGTL Myanmar Limited	MMK	31–Mar	16.894	16.816	1.18	9.35	45.43	45.43	NIL	97.12	11.54	2.89	8.66	–	100
Under liquidation / In–operative:																
C.6	GTL Kenya Ltd.	KES	31–Dec	0.661	0.653	0.01	0.84	1.39	1.39	NIL	–	0.10	–	0.10	–	100
C.7	GTL Tanzania Limited	TSH	31–Dec	0.030	0.030	0.00	0.08	0.09	0.09	NIL	–	(0.17)	0.09	(0.26)	–	100
C.8	GTL Network Services Malaysia Sdn. Bhd.	MYR	31–Dec	15.470	15.280	0.97	(8.15)	4.23	4.23	NIL	–	(42.85)	–	(42.85)	–	100
C.9	GTL China Corporation Ltd.	RMB	31–Dec	10.240	10.110	1.27	(1.19)	0.08	0.08	NIL	–	–	–	–	–	100
C.10	Pt. GTL Indonesia	IDR	31–Dec	0.005	0.005	0.73	(37.16)	3.78	3.78	NIL	–	(4.04)	–	(4.04)	–	100
C.11	GTL International Bangladesh Pvt. Ltd.	BDT	31–Dec	0.855	0.865	0.31	(14.29)	5.01	5.01	NIL	–	(6.00)	–	(6.00)	–	100
C.12	GTL Saudi Arabia Company Ltd.	SAR	31–Mar	17.723	17.641	3.54	(0.40)	11.06	11.06	NIL	25.02	(15.70)	–	(15.70)	–	90
C.13	iGTL Network Services Philippines Inc.	PHP	31–Dec	1.401	1.418	0.07	(0.41)	2.10	2.10	NIL	4.75	(0.43)	(0.13)	(0.30)	–	100

 # Formerly known as GTL Overseas (Middle East) JLT

1. **Names of subsidiaries which are yet to commence operations:** Not Applicable
2. **Names of subsidiaries which have been liquidated or sold during the year:**

Sr. No.	Name of the Companies	Liquidated / Sold
1	GTL Overseas Middle East FZ LLC	Liquidated
2	GTL International Nigeria Ltd	Liquidated
3	GTL International Lanka (Private) Limited	Liquidated
4	GTL USA Inc. & GTL Canada	Sold

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates	Latest audited Balance Sheet date	Shares of Associates held by the Company on the year end			Net worth Attributable to shareholding as per latest audited Balance Sheet (₹ in Crore)	Profit / (Loss) for the year		Description of how there is significant influence	Reason why the Associates is not Consolidated
			No.	Amount of Investment in Associates (₹ in Crore)	Extent of Holding %		Considered in Consolidation (₹ in Crore)	Not Considered in Consolidation (₹ in Crore)		
1	GTL Infrastructure Limited	31–Mar–16	345,763,466	591.55	14.80	(18.11)	Nil	(81.01)	Note – A	Note – C
2	Global Rural Netco Pvt. Ltd.	31–Mar–15	75,000,000	75.00	42.86	(11.98)	(17.63)	Nil	Note – B	N.A.
3	Chennai Network Infrastructure Ltd.	31–Mar–16	1,700,742,399	1,637.48	25.79	668.89	Nil	(133.36)	Note – B	Note – C

Note:

A. In earlier years, the Company's holding in GTL Infrastructure Limited (GIL) was more than 20% and on account of percentage holding, GIL became Company's Associates and continues to be an associate.

B. There is significant influence due to percentage (%) of Share Capital

C. Share of loss in associates viz. GTL Infrastructure Limited and Chennai Infrastructure Limited is not considered in view of severe long term restrictions significantly impairing ability of the associate to transfer any funds to the Company as envisaged by AS–23 para 7(b); refer note No. 2.11.3 to the financial statements

1. **Names of associates or joint ventures which are yet to commence operations:** Not Applicable
2. **Names of associates or joint ventures which have been liquidated or sold during the year:** Not Applicable

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

Sunil S. Valavalkar
Whole–time Director

Vijay M. Vij
Director

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : April 28, 2016

ANNEXURE F TO DIRECTORS' REPORT

Form No. MGT–9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

Financial Year ended on March 31, 2016

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Details
i	Corporate Identity Number (CIN)	L40300MH1987PLC045657
ii	Registration Date	December 23, 1987
iii	Name of the Company	GTL Limited
iv	Category / Sub–Category of the Company	Indian Non–Government Company limited by Shares
v	Address of the Registered office and contact details	'Global Vision', Electronic Sadan No. II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400710 Contact Person: Mr. Vidyadhar Apte – Company Secretary & Compliance Officer. Email: gtlshares@gtllimited.com Telephone No. 022– 27612929 Ext. No.: 2232–2235
vi	Whether listed company	Yes (Listed in BSE & NSE)
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	'Global Vision', Electronic Sadan No. II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400710 Contact Person: Mr. Jayendra Pai – AVP Investor Services / Mr. Divesh Sawant – Manager Investor Services. Email: gtlshares@gtllimited.com Telephone No. 022 27612929 Ext. Nos.: 2232–2235.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Telecom Services (Network Services)	612	98.96

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
OPERATING COMPANIES				
1	Ada Cellworks Wireless Engineering Pvt. Ltd. Regd.Off: Global Vision, ES–II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai 400710 MH. **CIN / GLN :** U64203MH2004PTC223982	Subsidiary	100	2(87)(ii)
2	International Global Tele–Systems Ltd. Regd. Office: 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius **CIN / GLN :** N.A.	Subsidiary	100	2(87)(ii)

Sr. No.	Name and Address of the Company CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3	GTL International Limited Regd. Office: Clarendon House, 2, Church Street, Hamilton, HM 11, Bermuda **CIN / GLN :** N.A.	Subsidiary	100	2(87)(ii)
4	GTL (Singapore) Pte Ltd. Regd. Office: 78, Shenton Way, #26–02A, Singapore 079120 **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
5	GTL Overseas (Middle East) DMCC (Formerly known as GTL Overseas (Middle East) JLT Regd. Office: Office 2405, Mazaya Business Avenue, Plot No BB1, Jumeirah Lake Towers, Dubai, UAE **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
6	GTL Europe Limited Regd. Office: Global House, Spitfire Close, Ermine Business Park, Huntingdon, PE29 6YA, United Kingdom **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
7	GTL Nepal Pvt. Ltd. Regd. Office: Kotheshwor–35, Balkumari, Kathmandu, Nepal **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
8	iGTL Myanmar Ltd. Regd. Office: G1–19, Block D, Pearl Condominium, Kabaaye Pagoda Road, Bahan Township, Yangon, Myanmar. **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
UNDER LIQUIDATION / IN–OPERATIVE				
9	GTL Kenya Limited Regd. Office: Parklands Road, Westlands, PO Box 38336–00623, Nairobi, Kenya **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
10	GTL Tanzania Limited Regd. Office: 031, Harbour View Towers, Sawora Avenue, PO Box 1847, Dar Es Salaam, Tanzania **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
11	GTL Network Services Malaysia Sdn Bhd. Regd. Office: 76–C, 3rd Floor, Jalan SS 21/62, 47400 Petaling Jaya, Damansara Utama, Selangor, Malaysia **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
12	GTL China Corporation Ltd. 3203, 28#, Building 401, Wangjing Park, Chaoyang District, Beijing City, China **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
13	Pt. GTL Indonesia Limited Regd. Office: Jl. Cikini 2, No 8, Menteng, Jakarta Pusat, Indonesia 10330 **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
14	GTL International Bangladesh Pvt. Ltd. Regd. Office: Land View Commercial Centre, 28, Gulshan North C/A, 5th Floor, Gulshan Circle 2, Dhaka 1212, Bangladesh **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)
15	GTL Saudi Arabia Company Limited Regd. Office: 615 Al Akaria 2, Olaya, P.O. Box 301146, Riyadh 11372, KSA **CIN / GLN :** N.A.	Step down Subsidiary	90	2(87)(ii)
16	IGTL Network Services Philippines Inc. Regd. Office: Room 802, Vicente Madrigal Building, Next to PB COM, 6793, Ayala Avenue, Makati City, Manila, Philippines 1227 **CIN / GLN :** N.A.	Step down Subsidiary	100	2(87)(ii)

Sr. No.	Name and Address of the Company / CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
ASSOCIATE COMPANIES				
17	GTL Infrastructure Limited Regd.Off: Global Vision, 3rd Floor, ES–II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai 400710 MH. **CIN / GLN :** L74210MH2004PLC144367	Associate	14.87	2(6)
18	Global Rural Netco Limited Regd.Off: Global Vision, ES–II, MIDC, TTC Indl. Area, Mahape, Navi Mumbai 400710 MH. **CIN / GLN :** U64200MH2009PLC192365	Associate	42.86	2(6)
19	Chennai Network Infrastructure Limited Regd. Off: Old No.34/1 DL, New No.403L, 7th Floor, Samson Towers, Pantheon Rd., Egmore, Chennai 600008 TN. **CIN / GLN :** U64203TN2009PLC073803	Associate	25.79	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity):

(i) Category–wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year 01–Apr–15				No. of Shares held at the end of the year 31–Mar–16				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Promoter**									
(1)	**Indian**									
(a)	Individual / HUF	1,85,99,435	–	1,85,99,435	11.82	1,85,99,435	–	1,85,99,435	11.82	–
(b)	Central Govt									
(c)	State Govt(s)									
(d)	Bodies Corp.	5,09,80,559	–	5,09,80,559	32.41	5,09,80,559	–	5,09,80,559	32.41	–
(e)	Banks / FI									
(f)	Any Other (Specify)									
	Sub–Total (A1)	**6,95,79,994**	**–**	**6,95,79,994**	**44.23**	**6,95,79,994**	**–**	**6,95,79,994**	**44.23**	**–**
(2)	**Foreign**									
(a)	NRIs – Individuals									
(b)	Other – Individuals									
(c)	Bodies Corp.									
(d)	Banks / FI									
(e)	Any Other (Specify)									
	Sub–Total (A2)									
A	**Total Shareholding of Promoter (A) = (A1) + (A2)**	**6,95,79,994**	**–**	**6,95,79,994**	**44.23**	**6,95,79,994**	**–**	**6,95,79,994**	**44.23**	**–**
B	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	–	164	164	0.00	–	164	164	0.00	–
(b)	Banks / FI	3,88,58,969	500	3,88,59,469	24.70	3,88,04,987	500	3,88,05,487	24.67	–0.3

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		01–Apr–15				31–Mar–16				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Central Govt									
(d)	State Govt(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies	13,07,259	–	13,07,259	0.83	13,07,259	–	13,07,259	0.83	–
(g)	FIIs	27,374	6	27,380	0.02	1,872	6	1,878	0.00	–0.02
(h)	Foreign Venture Capital Funds									
(i)	Any Other (Specify)									
	Sub–Total (B1)	**4,01,93,602**	**670**	**4,01,94,272**	**25.55**	**4,01,14,118**	**670**	**4,01,14,788**	**25.50**	**–0.05**
(2)	**Non–Institutions**									
(a)	Bodies Corp.									
	i) Indian	91,68,693	9,289	91,77,982	5.83	78,27,001	9,289	78,36,390	4.98	–0.85
	ii) Overseas									
(b)	Individuals									
	i) Indiv. Sh/hldrs holding nominal share capital upto to ₹ 1 Lac	2,72,23,151	2,71,144	2,74,94,295	17.48	2,70,51,899	2,67,880	2,73,19,779	17.37	–0.11
	ii) Indiv. Sh/hldrs holding nominal share capital in excess of ₹ 1 Lac	99,15,105	20,148	99,35,253	6.32	1.14,95,546	20,148	1,15,15,694	7.32	1.00
(c)	Any Other (Specify)									
	i) Corp.Body OCBs	1,09,083	100	1,09,183	0.07	1,09,083	100	1,09,183	0.07	–
	ii) Other Foreign Bodies	–	100	100	0.00	–	100	100	0.00	–
	iii) NRIs	8,02,941	328	8,03,269	0.51	8,18,192	328	8,18,520	0.52	0.01
	iv) Trusts	500	–	500	0.00	500	–	500	0.00	–
	v) Foreign National	1,933	–	1,933	0.00	1,933	–	1,933	0.00	–
	Sub–Total (B2)	**4,72,21,406**	**3,01,109**	**4,75,22,515**	**30.21**	**4,73,04,154**	**2,97,845**	**4,76,01,999**	**30.26**	**0.05**
B	**Total Public Shareholding (B) = (B1) + (B2)**	**8,74,15,008**	**3,01,779**	**8,77,16,787**	**55.77**	**8,74,18,272**	**2,98,515**	**8,77,16,787**	**55.77**	**–**
	TOTAL (A) + (B)	**15,69,95,002**	**3,01,779**	**15,72,96,781**	**100.00**	**15,69,98,266**	**2,98,515**	**15,72,96,781**	**100.00**	**–**
C	**Shares held by Custodians for GDRs & ADRs**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**
	GRAND TOTAL (A) + (B) + (C)	**15,69,95,002**	**3,01,779**	**15,72,96,781**	**100.00**	**15,69,98,266**	**2,98,515**	**15,72,96,781**	**100.00**	**–**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01–Apr–15			Share holding at the end of the year 31–Mar–16			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manoj Gajanan Tirodkar	1,85,99,435	11.82	100.00	1,85,99,435	11.82	100.00	0.00
2	Global Holding Corporation Private Ltd	5,09,80,559	32.41	99.06	5,09,80,559	32.41	99.06	0.00
	TOTAL	**6,95,79,994**	**44.23**	**99.31**	**6,95,79,994**	**44.23**	**99.31**	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	Same as (ii) above			
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	During the year under review, there is no change in promoters' shareholding			
3	At the End of the year	Same as (ii) above			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
A.	**At the beginning of the year**				
1	Bank of India	60,99,512	3.88	60,99,512	3.88
2	Andhra Bank	47,87,185	3.04	47,87,185	3.04
3	Punjab National Bank	40,45,570	2.57	40,45,570	2.57
4	IDBI Bank Limited	33,17,412	2.11	33,17,412	2.11
5	Canara Bank–Mumbai	32,93,975	2.09	32,93,975	2.09
6	Union Bank of India	27,69,496	1.76	27,69,496	1.76
7	Dena Bank	27,41,555	1.74	27,41,555	1.74
8	Vijaya Bank	26,54,910	1.69	26,54,910	1.69
9	Indian Overseas Bank	24,33,199	1.55	24,33,199	1.55
10	UCO Bank	18,54,519	1.18	18,54,519	1.18
B.	**Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.):**	No Change during the year			
C.	**At the end of the year**	Same as above under "A"			

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
A	**At the beginning of the year**				
1	Mr. Manoj G. Tirodkar, Chairman & Managing Director	1,85,99,435	11.82%	1,85,99,435	11.82%
2	Mr. D. S. Gunasingh, Independent Director	100	0.00%	100	0.00%
3	Mr. Vidyadhar A. Apte, Company Secretary	2,866	0.00%	2,866	0.00%
4	Mr. Milind V. Bapat, CFO	15,100	0.01%	15,100	0.01%
B.	**Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.):**	No Change during the year			
C.	**At the end of the year**	Same as at the beginning of the year (A. above)			

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(₹ in Crore)

	Secured Loans (excluding deposits)	Unsecured Loans *	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,484.25	2,344.02	–	4,828.27
ii) Interest due but not paid	204.89	283.03	–	487.92
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	2,689.14	2,627.05	–	5,316.19
Change in Indebtedness during the financial year				
Addition	306.68	236.03	–	542.71
Reduction	(7.48)	–	–	(7.48)
Net Change	299.20	236.03	–	(535.23)
Indebtedness at the end of the financial year				
i) Principal Amount	2,498.28	2,384.89	–	4,883.17
ii) Interest due but not paid	490.06	478.19	–	968.25
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	2,988.34	2,863.08	–	5,851.42

**Unsecured Loans consist of NCD lenders (SCB–Mauritius) and ECB lenders [Bank of Baroda, Bank of India, Indian Bank–Columbo, Indian Bank–Singapore, Indian Overseas Bank, Amlife Insurance PCC Limited, BMI Bank B.S.C.(C), Kingdom of Bahrain, Pegasus CP One Limited, Punjab National Bank(International) Limited & Syndicate Bank].Further, winding–up petition filed by NCD holders has been challenged by the Company and the matter is currently sub–judice.*

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole–time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount (₹)
		Mr. Manoj G. Tirodkar – CMD	Mr. Sunil S. Valavalkar – WTD	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income–tax Act, 1961	42,77,760	14,10,278	56,88,038
(b)	Value of perquisites u/s 17(2) of the Income–tax Act, 1961	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) of the Income–tax Act, 1961	Nil	Nil	Nil

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount (₹)
		Mr. Manoj G. Tirodkar – CMD	Mr. Sunil S. Valavalkar – WTD	
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	– as % of profit	Nil	Nil	Nil
	– others, specify.	Nil	Nil	Nil
5.	Others (PF Contribution)	2,11,680	78,987	2,90,667
	Total (A)	44,89,440	14,89,265	59,78,705
	Ceiling as per the Act	4,800,000*	#	#

** Ceiling in terms of the provisions of the extant statute at the time of appointment.*

 # The payment of managerial remuneration to Mr. Valavalkar is subject to central government approval, which is awaited.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
1.	Independent Directors	**Mr. Vijay M. Vij**	**Mr. D. S. Gunasingh**	**Mr. Navin J. Kripalani**	**Mrs. Siddhi M. Thakur**	
	– Fee for attending board / committee meetings (₹)	8,45,000	6,85,000	7,05,000	3,35,000	25,70,000
	– Commission	Nil	Nil	Nil	Nil	Nil
	– Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1) (₹)	**8,45,000**	**6,85,000**	**7,05,000**	**3,35,000**	**25,70,000**
2.	Other Non–Executive Directors	**Mr. Dilip Kumar Mandal^**				
	– Fee for attending board / committee meetings (₹)	1,50,000				1,50,000
	– Commission	Nil				Nil
	– Others, please specify	Nil				Nil
	Total (2) (₹)	**1,50,000**				**1,50,000**
	Total (B)=(1+2)					**27,20,000**
	Total Managerial Remuneration *					59,78,705
	Overall Ceiling as per the Act					#

^ Sitting fees of Nominee Director of IDBI Bank was paid directly to the bank he represents.

** In terms of provisions of Section 197(2) of the Companies Act, 2013, sitting fees paid to Non–Executive Directors are not considered in computation.*

 # Since the Company has incurred losses, the overall ceiling is as per limits stipulated in the erstwhile provisions of the Companies Act, 1956 and / or the Companies Act, 2013 and / or subject to central government approval, wherever applicable.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (Amount in ₹)			
		CEO	CFO	Company Secretary	Total
1.	Gross salary	Not Applicable			
(a)	Salary as per provisions contained in section 17(1) of the Income–tax Act, 1961		71,67,710	72,38,008	1,44,05,718
(b)	Value of perquisites u/s 17(2) of the Income–tax Act, 1961		28,800	Nil	28,800
(c)	Profits in lieu of salary under section 17(3) of the Income–tax Act, 1961		Nil	Nil	Nil
2.	Stock Option		Nil	Nil	Nil
3.	Sweat Equity		Nil	Nil	Nil
4.	Commission				
	– as % of profit		Nil	Nil	Nil
	– others, specify.		Nil	Nil	Nil
5.	Others (PF Contribution)		2,47,680	2,36,160	4,83,840
	Total		**74,44,190**	**74,74,168**	**1,49,18,358**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences under the Companies Act, 2013 during FY 2015–16.

As the Company is listed at BSE Limited and National Stock Exchange of India Limited, in terms of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the Compliance Report on Corporate Governance (in the prescribed format) is given as under:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

GTL's Philosophy on the Code of Governance as adopted by its Board of Directors:

a. Ensure that quantity, quality and frequency of financial and managerial information which is shared with the Board, fully places the Board members in control of the Company's affairs.

b. Ensure that the Board exercises its fiduciary responsibilities towards stakeholders thereby ensuring high accountability.

c. Ensure that the extent to which the information is disclosed to present and potential investors is maximized.

d. The decision–making is transparent and documented through the minutes of the meetings of the Board / Committees thereof.

e. Maximizing long term value of the stakeholders and the Company and to protect interest of minority shareholders.

f. Ensure that core values of the Company are protected.

g. Ensure that the Company positions itself from time to time to be at par with any other company of world class operating practices.

2. BOARD OF DIRECTORS:

A. Details of Directors:

NAME OF DIRECTOR	PD/ NPD *	ED/ NED/ ID/NID/ND*	Attendance in Board Meetings		Attendance in last AGM	Other Companies as on 31/03/2016			
			Held	Attended		Board Directorship (incl. Chairmanship) **	Board Chairmanship **	Committee Membership (incl. Chairmanship) ***	Committee Chairmanship ***
Mr. Manoj G. Tirodkar [DIN: 00298407]	PD	ED/NID	4	4	Present	2	2	1	0
Mr. Vijay M. Vij [DIN: 02245470]	NPD	NED/ID	4	4	Present	2	0	2	0
Mr. D. S. Gunasingh [DIN: 02081210]	NPD	NED/ID	4	3	Present	1	0	1	1
Mr. Navin J. Kripalani [DIN: 05159768]	NPD	NED/ID	4	4	Present	0	0	0	0
Mr. Dilip Kumar Mandal [DIN: 03313130]	NPD	NED/NID/ND #	4	3	Absent.	0	0	0	0
Mr. Sunil S. Valavalkar [DIN: 01799698]	NPD	ED/NID	4	4	Present	0	0	0	0
Mrs. Siddhi M. Thakur [DIN: 07142250]	NPD	NED/ID	4	4	Present	0	0	0	0

Note: There is no inter–se relationship between our Board members.

* *PD– Promoter Director; NPD– Non–Promoter Director, ED–Executive Director; NED–Non–Executive Director; ID –Independent Director; NID–Non Independent Director; ND – Nominee Director.*

** *In Indian Public Limited Companies.*

*** *In Audit and Stakeholders Relationship Committee of Indian Public Limited Companies.*

IDBI Bank is Monitoring Institution for the Company under CDR mechanism and Mr. Dilip kumar Mandal is Nominee of the said Bank. Further, in terms of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), Nominee Director(s) is / are treated as Non–Independent.

B. Details of Board Meetings held during the year:

Dates of Board Meeting	05–May–15	11–Aug–15	29–Oct–15	09–Feb–16
Board Strength	7	7	7	7
No. of Directors Present	7	6	6	7

Note: In terms of the Regulation 25(3) of the Listing Regulations and Schedule IV to the Companies Act, 2013, a meeting of Independent Directors was convened on March 18, 2016 for transacting stipulated business.

3. AUDIT COMMITTEE:

A. Powers of Audit Committee:

The Audit Committee shall have powers, which should include the following:

a. To investigate any activity within its terms of reference;

b. To seek information from any employee;

c. To obtain outside legal or other professional advice; and

d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role / Terms of Reference:

I. The role of the Audit Committee shall include the following:

(i) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) reviewing, with the management, the annual financial statements and auditor's report thereon 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 (c) of sub–section (3) of Section 134 of the Companies Act, 2013;

(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) modified opinion(s) in the draft audit report;

(v) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(vi) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(viii) approval or any subsequent modification of transactions of the Company with related parties;

(ix) scrutiny of inter–corporate loans and investments;

(x) valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) evaluation of internal financial controls and risk management systems;

(xii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiii) 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;

(xiv) discussion with internal auditors of any significant findings and follow up there on;

(xv) 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;

(xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post–audit discussion to ascertain any area of concern;

(xvii) 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;

(xviii) to review the functioning of the whistle blower mechanism;

(xix) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(xx) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

II. The Audit Committee shall mandatorily review the following information:

(i) management discussion and analysis of financial condition and results of operations;

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

(iii) management letters / letters of internal control weaknesses issued by the statutory auditors;

(iv) internal audit reports relating to internal control weaknesses;

(v) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

(vi) statement of deviations:

a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

b. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

C. Composition of Audit Committee and Attendance of Members:

Name of Director and position	Meetings/Attendance				
	05–May–15	11–Aug–15	29–Oct–15	14–Jan–16	09–Feb–16
Mr. Vijay M. Vij, Chairman	P	P	P	P	P
Mr. D. S. Gunasingh, Member	P	A	P	P	P
Mr. Navin J. Kripalani, Member	P	P	P	P	P

P–Present, A–Absent

4. NOMINATION & REMUNERATION COMMITTEE (NRC):

A. Role / Terms of Reference:

(i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(ii) Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

(iii) Devising a policy on diversity of Board of Directors;

(iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

(v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(vi) Providing of the following information to the shareholders in case of appointment of New Director or re–appointment of a Director:

a. brief resume of the Director ;

b. Nature of expertise in specific functional areas ;

c. Disclosure of relationships between directors inter–se ;

d. Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the Board; and

e. Shareholding of Non–Executive Directors.

(vii) Providing of General shareholder information in the Annual Report;

(viii) Review of HR Policies / Initiatives & Senior Level Appointments;

(ix) Administer and supervise Employees Stock Option Schemes including allotment of shares arising out of conversion of Employee Stock Option Scheme(s) or under any other employee compensation scheme;

(x) Frame suitable Policies and systems for implementation, take appropriate decisions and monitor implementation of the following Regulations:

a. SEBI (Prohibition of Insider Trading) Regulations, 2015; and

b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

(xi) Perform such other functions consistent with regulatory requirements.

B. Composition of NRC and Attendance of Members:

Name of Director and Position	Meetings/Attendance		
	05–May–15	29–Oct–15	09–Feb–16
Mr. Vijay M. Vij, Chairman	P	P	P
Mr. D. S. Gunasingh, Member	P	P	P
Mr. Navin J. Kripalani, Member	P	P	P
Mrs. Siddhi M. Thakur, Member *	N. A.	N. A.	P

P–Present, A–Absent, N.A.– Not Applicable

** w.e.f. February 9, 2016*

C. Performance Evaluation Criteria For Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. Indicative lists of factors that may be evaluated include attendance, participation, proactive & positive approach, maintenance of confidentiality and contribution by a director.

D. Remuneration Policy:

The Policy Dossier approved by the Board at its meeting held on May 20, 2014 contains compensation policy (criteria on making payments) for Directors, which has been posted on the website of the Company www.gtllimited.com, *inter–alia*, provides for the following:

I. Executive Directors:

(i) Salary and commission not to exceed limits prescribed under the Companies Act, 2013.

(ii) Remunerate from time to time depending upon the performance of the Company, Individual Directors performance and prevailing Industry norms.

(iii) No sitting fees.

(iv) No ESOPs for Promoter Directors.

II. Non–Executive Directors:

(i) Eligible for commission based on time, efforts and output given by them.

(ii) Sitting fees and commission not to exceed limits prescribed under the Companies Act, 2013.

(iii) Eligible for ESOPs (other than Independent and Promoter Directors).

5. Details of remuneration to all the Directors during the year ended March 31, 2016:

Name of Director	Salary (₹)	PF / Pension Fund (₹)	Perquisites (₹)	Commission (₹)	Performance linked bonus (along with Criteria) (₹)	Sitting fees (₹)	Total (₹)	Service Contract/ Notice period/ Severance fees/ Pension
a) Executive Directors								
i) Mr. Manoj G. Tirodkar Chairman & Managing Director	42,77,760	2,11,680	–	@	@	NA	44,89,440	Retirement by Rotation *
ii) Mr. Sunil S. Valavalkar Whole–time Director	14,10,278	78,987	–	@	@	NA	14,89,265	Retirement by Rotation **
b) Non–Executive Directors								
i) Mr. Vijay M. Vij	–	–	–	@	–	8,45,000	8,45,000	#
ii) Mr. D. S. Gunasingh	–	–	–	@	–	6,85,000	6,85,000	#
iii) Mr. Navin J. Kripalani	–	–	–	@	–	7,05,000	7,05,000	#
iv) Mr. Dilip Kumar Mandal	–	–	–	@	–	@@ 1,50,000	1,50,000	
v) Mrs. Siddhi M. Thakur	–	–	–	@	–	3,35,000	3,35,000	#

* *5 years w.e.f. August 18, 2013 / notice period 6 months or 6 months' salary in lieu of the notice / Nil / Nil.*

** *3 years w.e.f. December 16, 2014 / notice period 3 months or 3 months' salary in lieu of the notice / Nil / Nil. The payment of remuneration is subject to Central Government approval and the same is awaited.*

\# *Mr. Vijay M. Vij, Mr. D. S. Gunasingh and Mr. Navin J. Kripalani were appointed as Independent Directors respectively from September 16, 2014 up to September 15, 2019 and Mrs. Siddhi M. Thakur was appointed as an Independent Director from March 31, 2015 up to March 31, 2018 and they are not liable to retire by rotation.*

@ *in view of the ongoing restructuring of debt by the Company through Corporate Debt Restructuring mechanism and the loss incurred during the period under consideration, the Board of Directors decided non–payment of any Commission / Performance Linked Bonus to Managerial Personnel and Non–Executive Directors.*

@@ *Sitting fees payable to Nominee Director is paid directly to the bank he represents.*

Notes:

1. Mr. D. S. Gunasingh held 100 equity shares in the Company as on March 31, 2016.
2. Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Directors.
3. Currently the Company does not have any stock option plans / schemes.
4. The details of familiarisation programmes imparted to independent directors are available on website link of the Company http://www.gtllimited.com/ind/inv_cg.aspx.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

A. Composition of Committee:

Name of Director	Position
Mr. D.S. Gunasingh	Chairman
Mr. Manoj G. Tirodkar	Member
Mr. Vijay M. Vij	Member

B. Name of Non–Executive Director heading the Committee: Mr. D.S. Gunasingh.

C. Name and Designation of compliance officer: Mr. Vidyadhar A. Apte, Company Secretary.

D. Number of shareholders complaints received during 2015–16: 2

E. Number not solved to the satisfaction of shareholders: NIL

F. **Number of pending complaints:** NIL

7. **DETAILS OF GENERAL MEETINGS :**

A. **Location and time of the Company's last three Annual General Meetings with details of special resolutions passed:**

	2012–13	2013–14	2014–15
Date	17–Sep–2013	16–Sep–2014	23–Sep–2015
Time	10:30 a.m.	11:00 a.m.	11:00 a.m.
Venue	Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai, 400703		Marathi Sahitya, Sanskriti & Kala Mandal, Sahitya Mandir Hall, Near Navi Mumbai Sports Association, Sector 6, Vashi, Navi Mumbai 400703
Details of Special Resolutions passed	**a.** Appointment of M/s. Godbole Bhave & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants, as Joint Auditors of the Company. **b.** Appointment of Mr. Arun Prabhukhanolkar as a Whole–time Director of the Company. **c.** Re–appointment of Mr. Manoj G. Tirodkar as the Chairman & Managing Director of the Company. **d.** Substitution of the words describing Relevant date appearing in point (a) of the second paragraph of Resolution no. 11 passed at the 24th Annual General meeting. **e.** Ratification of the decision of the Board cancelling all outstanding and unvested warrants with the employees under earlier ESOP Schemes.	**a.** Approval to the Board of Directors to borrow a sum not exceeding 7,000 Crore. **b.** Authority to issue securities either through Public Issue or through Private Placement.	**a.** Appointment of Mr. Sunil S. Valavalkar as a Whole–time Director of the Company. **b.** Approval for undertaking material related party transactions with GTL Infrastructure Limited. **c.** Approval for undertaking material related party transactions with Chennai Network Infrastructure Limited.

B. **Whether Special Resolutions were put through postal ballot last year, details of voting pattern:**

Yes, details as under:

Resolution under Section 180(1)(a) of the Companies Act, 2013, read with Rule 22(16) (i) of the Companies (Management and Administration) Rules, 2014, empowering the Company for creation of charges / mortgage, disposal of whole or substantially the whole of the undertakings of the Company *inter–alia* sale of OME business to Essential Energy India Private Limited / any other entity, sale of core / non–core assets etc. The Company received 110 postal ballot forms and 172 E–Votes aggregating 282 ballots. After weeding out 6 forms on technical grounds, out of total valid 276 postal ballot forms (including E–Votes) for 7,15,07,632 equity votes, 251 ballots consisting of 7,14,99,134 equity votes representing 99.99% of valid votes were in favor of the resolution. Accordingly, based on the report of the scrutinizer, the resolution was declared as passed as a special resolution on September 30, 2015.

C. Person who conducted the postal ballot exercise:

Mr. Virendra G. Bhatt, Practicing Company Secretary.

D. Whether special resolutions are proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot at the time of ensuing Annual General Meeting.

E. The Procedure for postal ballot:

Shall be conducted as per the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

F. Details of Extra–Ordinary General Meetings held in last three years:

Sr. No.	Date	Time	Venue	Purpose
1.	FY 2013–14	NA	NA	NA
2.	FY 2014–15 September 25, 2014 (Date of announcement of result of Postal Ballot)	11:00 a.m.	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400038.	a. Continuation of authority for creating charges / mortgage in favor of lenders / creditors of the Company under Section 180 (1)(a) of the Companies Act, 2013 for securing the sum or sums of monies aggregating ₹ 7,000 Crore. b. Continuation of authority to the Company for giving loans, guarantee or providing security in connection with loan to any other body corporate or a person and acquiring securities of any other body corporate, whether existing or new under Section 186 (3) of the Companies Act, 2013, for a total amount not exceeding ₹ 6,000 Crore.
3.	FY 2015–16 September 30, 2015 (Date of announcement of result of Postal Ballot)	11:00 a.m.	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400038.	a. Resolution under Section 180(1)(a) of the Companies Act, 2013, read with Rule 22(16) (i) of the Companies (Management and Administration) Rules, 2014, empowering the Company for creation of charges / mortgage, disposal of whole or substantially the whole of the undertakings of the Company *inter–alia* sale of OME business to Essential Energy India Private Limited / any other entity, sale of core / non–core assets etc.

8. MEANS OF COMMUNICATION:

a. Quarterly Results:

The quarterly, half–yearly and yearly financial results of the Company are sent to the Stock Exchanges where shares of the Company are listed, immediately after these are approved by the Board.

b. Publication of Quarterly Results:

The Quarterly Results were published in the Newspapers as under:

Newspapers	Date of publication of results for the Quarter ended			
	31–Mar–15	30–Jun–15	30–Sep–15	31–Dec–15
Free Press Journal	06–May–15	12–Aug–15	30–Oct–15	10–Feb–16
Navshakti	06–May–15	12–Aug–15	30–Oct–15	10–Feb–16

c. **Website where displayed:**

www.gtllimited.com

d. **Whether it also displays official news releases:**

- Press Releases, if any, made by the Company from time to time are also displayed on the Company's website.
- A Management Discussion and Analysis Report is a part of the Company's Annual Report.

e. **The presentation made to institutional investors or to the analysts:**

During the year under review, the Company has not made any presentations to institutional investors or to the analysts.

9. GENERAL SHAREOWNER 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 L40300MH1987PLC045657.

a.	**Date, time and venue of the 28th Annual General Meeting:**	Wednesday, September 21, 2016, 11:00 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400703, Maharashtra.
b.	**Financial Year:**	April 1 – March 31
c.	**Dividend Payment Date:**	Not Applicable as the Board has not recommended any dividend for FY 2015–16.
d.	**Listing on Stock Exchanges**	BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). Listing Fees for FY 2016–17 in respect of equity capital paid to both the Stock Exchanges.

e. **Stock Exchange Codes (Equity):**

Stock Exchange / News Agency	Stock Code	Non–Convertible Debentures (Listing on BSE only) *		
		Series	ISIN	BSE Code
BSE	500160	I	INE043A08017	946494
NSE	GTL	II	INE043A08025	946495
Reuters Code	GTL.BO & GTL.NS	III	INE043A08033	946496
Bloomberg ticker	GTS:IN	IV	INE043A08041	946521
Equity ISIN	INE043A01012	V	INE043A08058	946522
		VI	INE043A08066	946523

Debenture Trustees: **IDBI Trusteeship Services Ltd.**
Asian Building, Gr. Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400001.
Tel.: 022–4080 7000; Fax: 022–6631 1776; **Email:** itsl@idbitrustee.com / response@idbitrustee.com

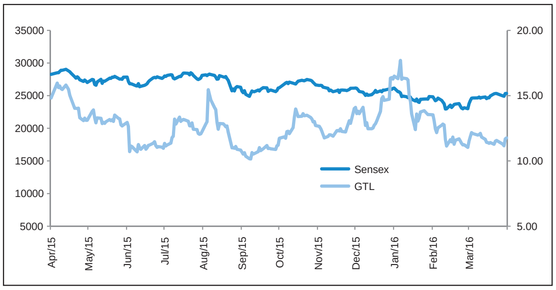
** Currently, NCDs are suspended for trading as the formalities for listing of restructured NCDs are pending due to non completion of documentation and resultantly, no listing fees are demanded / paid for FY 2016–17.*

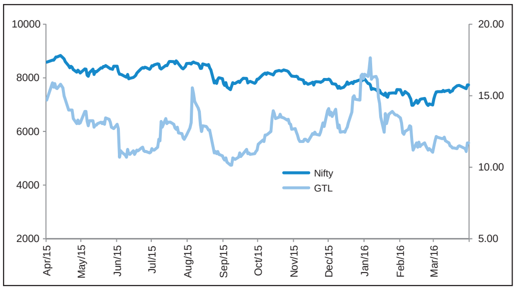
f. Stock Market Price Data:

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

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr–2015	15.96	13.09	16,45,651	15.90	13.05	33,13,804
May–2015	13.91	12.68	6,82,168	13.90	12.70	20,34,852
Jun–2015	12.95	10.70	10,00,199	13.00	10.70	24,84,809
Jul–2015	13.36	11.14	14,69,394	13.40	11.20	30,49,122
Aug–2015	15.46	10.83	21,63,239	15.55	10.80	56,91,467
Sep–2015	11.20	10.15	7,14,297	11.25	10.15	16,57,994
Oct–2015	13.98	11.74	11,47,257	13.95	11.60	28,64,421
Nov–2015	14.02	11.76	8,20,436	13.95	11.80	17,80,920
Dec–2015	16.39	12.47	19,58,944	16.50	12.45	50,50,928
Jan–2016	17.70	12.40	22,30,753	17.65	12.45	50,35,282
Feb–2016	13.53	11.04	7,59,563	13.45	11.05	21,27,481
Mar–2016	12.17	11.16	5,61,903	12.15	11.10	14,25,361

g. GTL's share performance in comparison to broad–based indices (BSE: Sensex and NSE: Nifty):





h. Registrar and Share Transfer Agent:

In terms of Securities and Exchange Board of India (SEBI) Circular bearing Ref: D&CC/FITTC/CIR–15/2002 dated December 27, 2002, the Company is carrying out share registry work, in terms of both physical and electronic, in–house, in its Investor Service Centre (ISC) at its Registered Office. The ISC has also established connectivity with both the Depositories in India, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). SEBI has granted 'Permanent Registration' as Share Transfer Agent under Category–II to the Company on August 2, 2013.

i. Share transfer system:

As majority of shares of the Company are held in electronic (demat) form, requests for transfer of shares in physical form are negligible. Share transfers are processed and the share certificates duly endorsed 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 the Company's securities to the Stakeholders Relationship Committee of the Board, which meets regularly to approve the share transfers 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 Practicing Company Secretary a half–yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the erstwhile Listing Agreement with the Stock Exchanges or Regulation 40(9) of the Listing Regulations and files a copy of the compliance certificate with the Stock Exchanges.

A total number of 614 equity shares (in physical form) were transferred during the year under review (Previous year 450).

j. Distribution of shareholding as on March 31, 2016:

A. Distribution of shares according to size of holding:

No. of Shares	No. of Shareholders	% of Shareholders	Share amount (₹)	% to Total
Upto 500	70,594	85.47%	9,01,44,780	5.73%
501 – 1000	5,945	7.20%	4,84,37,460	3.08%
1001 – 2000	3,040	3.68%	4,66,36,090	2.97%
2001 – 3000	1,009	1.22%	2,60,28,890	1.65%
3001 – 4000	501	0.61%	1,81,09,220	1.15%
4001 – 5000	393	0.48%	1,86,64,180	1.19%
5001 – 10000	612	0.74%	4,48,02,520	2.85%
10001 & Above	497	0.60%	1,28,01,44,670	81.38%
TOTAL	**82,591**	**100.00%**	**1,57,29,67,810**	**100.00%**

B. Distribution of shares by categories of shareholders:

Category	No. of Shares Held	Voting Strength %
Promoter & Promoter Group	6,95,79,994	44.24%
Bodies Corporate (Domestic) / Trusts / Clearing Members	78,36,790	4.98%
Banks	3,88,05,487	24.67%
Mutual Funds	164	0.00%
Financial Institutions	13,07,259	0.83%
Foreign Institutional Investors	1,878	0.00%
Non–Resident Individuals/Foreign Corporate Bodies/ Overseas Corporate Bodies/Foreign National	9,29,736	0.59%
Resident Individuals	3,88,35,473	24.69%
TOTAL:	**15,72,96,781**	**100.00**

C. Top 10 Shareholders:

Name(s) of Shareholders	Category	No. of Shares	%
Global Holding Corporation Private Limited (Promoter)	Domestic Company	5,09,80,559	32.41%
Mr. Manoj Gajanan Tirodkar (Promoter)	Director	1,85,99,435	11.82%
Bank of India	Bank	60,99,512	3.88%
Andhra Bank	Bank	47,87,185	3.04%
Punjab National Bank	Bank	40,45,570	2.57%
IDBI Bank Limited	Bank	33,17,412	2.11%
Canara Bank – Mumbai	Bank	32,93,975	2.09%
Union Bank Of India	Bank	27,69,496	1.76%
Dena Bank	Bank	27,41,555	1.74%
Vijaya Bank	Bank	26,54,910	1.69%

k. Dematerialisation of shares and liquidity:

Trading in equity shares of the Company on the Stock Exchanges is permitted only in dematerialised form as per notification issued by SEBI. The shares of the Company are available for trading under both the Depository Systems in India – NSDL & CDSL. 99.81% of the Company's shares are held in dematerialised form as on March 31, 2016 (99.81% as on March 31, 2015).

The Company's equity shares are among the regularly traded shares on the BSE and NSE. Relevant data for the traded volumes is provided hereinabove.

l. Outstanding Warrants or any Convertible instruments, conversion date and likely impact on equity:

Currently, no convertible instruments are issued by the Company and resultantly, there is no impact on equity.

m. Plant Locations:

List of Branch Offices and addresses provided elsewhere in this Annual Report.

n. Address for correspondence:

Registered Office & Investor Service Centre (ISC):

GTL Limited, "Global Vision", Electronic Sadan – II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400710, Maharashtra, India.
Website: www.gtllimited.com

CIN: L40300MH1987PLC045657

Tel.: +91 22 2761 2929 Extn. Nos.: 2232 – 2234 FAX: +91 22 2768 9990 / 2768 0171

E–mail for Investor Grievance/s: gtlshares@gtllimited.com

10. OTHER DISCLOSURES :

a. Disclosures on materially significant related party transactions of the Company that may have potential conflict with the interests of the Company at large:

The necessary disclosures regarding the 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, 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:

There was no such instance in the last three years.

c. Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:

The Company has formulated the Whistle Blower Policy providing vigil mechanism for receiving and redressing directors / permanent employees' complaints and that no personnel of the Company were denied access to the Audit Committee. The said Policy has been placed on the Company's website www.gtllimited.com.

d. Details of Compliance with mandatory requirements and adoption of the non–mandatory requirements:

Pursuant to the provisions of Regulation 34(3) of the Listing Regulations read with Part A to D of Schedule II and Schedule V to the Listing Regulations, the Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations for the financial year 2015–16. The Company has obtained a certificate from Joint Auditors Certifying its compliance with the paragraph E of Schedule V to the Listing Regulations. This certificate is annexed to the Directors' Report for the FY 2015–16.

Pursuant to the provisions of Regulation 34(3) of the Listing Regulations read with Part B of Schedule II to the Listing Regulations, the Chairman & Managing Director (CEO) and the Chief Financial Officer (CFO) have issued a certificate to the Board, for the year ended March 31, 2016.

e. Web link where policies for (i) determining 'material' subsidiaries and (ii) dealing with related party transactions are disclosed:

The required information can be accessed from the Company's website link: http://www.gtllimited.com/ind/inv_cg.aspx

f. Disclosure of commodity price risk or foreign exchange risk and commodity hedging activities:

Please refer to Management Discussion and Analysis Report for the same.

11. Non compliance of any requirement of corporate governance report of sub–paras (2) to (10) above, with reasons thereof:

The Company has complied with requirement of sub–paras (2) to (10) above.

12. Discretionary Requirements:

As required under Regulation 27(1) read with Part E of the Schedule II and Part C (12) of Schedule V to the Listing Regulations, we furnish hereunder the extent to which the Company has adopted discretionary requirements:

A. The Board:

Has an Executive Chairman and his office with required facilities is provided and maintained by the Company.

B. Shareholders Rights:

Financial Results for the half year / quarter ended September 30, 2015 were published in the Free Press Journal and Navshakti newspapers and were also displayed on the Company's website www.gtllimited.com and disseminated to the Stock Exchanges (i.e. BSE & NSE) wherein its equity shares are listed, hence separately not circulated to the shareholders.

C. Modified opinion(s) in Audit Report:

For the FY 2015–16 the Joint Auditors of the Company have not given any modified opinions in the Company's financial statements.

D. Separate post of Chairman and CEO:

The Company will consider segregation of the post of the Chairman and CEO, however, in view of the provisions contained in the CDR documents, for making any change in the management set up; prior approval of CDR Empowered Group is required.

E. Reporting of Internal Auditor:

The Internal Auditor of the Company reports to the Audit Committee.

13. Compliance with Corporate Governance Requirements:

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub–regulation (2) of Regulation 46 of the Listing Regulations.

14. Legal Proceedings:

As on March 31, 2016, there were 33 cases against the Company, pending in various Courts and other Dispute Redressal Forums.

In 8 out of 33 cases, the Company has been implicated as proforma defendant i.e. there is no monetary claim against the Company. In most of these cases dispute is concerning the matters like loss of share certificate, title claim / ownership / transfer of the shares etc. The Company's implication in these matters is with a view to protect the interest of the lawful owners of the shares. Upon the final orders passed by the Court(s), the Company shall have to release the shares, which are presently under 'stop transfer', in this regard to the rightful claimants. There is no direct liability or adverse impact on the business of the Company on account of the said 8 cases.

Out of the balance 25 cases, 14 cases are from its earlier power business, 7 cases are from telecom related businesses and 2 cases are in respect of transfer of shares which are handled by the Company's Advocates, who have the necessary expertise on the subject. It is found that in most of the cases the claims are frivolous, highly exaggerated and without any basis and therefore the Company is resisting and defending these claims. In one of the cases, IFCI Ltd. has filed winding–up petition against the Company, that is yet to be admitted by the Hon'ble Bombay

High Court, for not honoring 'Put option' given by the Company for securing the liability of one of its associates, prior to the Company's admission to CDR mechanism, which is not approved by the CDR lenders. The contingent liability of these 24 cases is ₹ 140,11,44,022/–.

In the balance one case, the NCD holder has filed winding up petition against the Company before Hon'ble Bombay High Court, in view of pending restructuring of NCD's due to inter–creditor issues, where in the claim amount is ₹ 1858,45,51,530/– of which the contingent liability is ₹ 98,08,02,031/–.

15. Unpaid / Unclaimed Dividends:

Pursuant to provisions of Section 205A (5) of the Companies Act, 1956, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 205C of the Companies Act, 1956. After transfer of unpaid / unclaimed dividend amount to the IEPF, the amounts cannot be claimed by shareowners.

The Company has issued reminders to all such shareholders in respect of the Unclaimed / Unpaid Dividend for the FY 2008–09 during March 2016 whose dividends remain unclaimed, as is customarily sent by the Company every year, before crediting the balance Unclaimed Dividend Amount to the IEPF. A statement showing the year / month(s) in which unpaid/unclaimed dividend(s) are due for transfer to the IEPF is given below:

Dividend Particulars	Rate	Date of Declaration (AGM Date)	Date of Transfer to Unclaimed A/c	Due Date for Transfer to IEPF
FY 2008–09	30.00%	July 10, 2009	August 14, 2009	August 13, 2016
FY 2009–10	30.00%	July 21, 2010	August 26, 2010	August 25, 2017

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of September 23, 2015 (date of last AGM) on the website of the Company as also on the website of the Ministry of Corporate Affairs.

16. Equity Shares in the Suspense Account:

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account "GTL Limited–Unclaimed Shares Demat":

Sr. No.	Particulars	No. of shareholders	No. of equity shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2015	921	101,935
(ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	4	328
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	(1)	(114)
(iv)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on March 31, 2016	920	101,821

The voting rights on the shares outstanding in the suspense account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR

Pursuant to the provisions of Regulation 34(3) read with Schedule V(D) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is hereby declared that all the Board Members and Senior Management personnel of GTL Limited have affirmed compliance with the Code of Conduct for 'Directors and Senior Management' for the year ended March 31, 2016.

Date: April 28, 2016
Place: Mumbai

Manoj G. Tirodkar
Chairman & Managing Director

INFORMATION ON DIRECTOR(S) RECOMMENDED FOR APPOINTMENT / RE–APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Mr. Manoj G. Tirodkar, Chairman & Managing Director

Mr. Manoj G. Tirodkar was born on October 5, 1964, a first generation entrepreneur, founded GTL Limited in 1987, when he was only 23 years old. He is widely recognised 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. A firm believer in corporate social responsibility, Mr. Tirodkar supports a number of causes through Global Foundation. He takes keen interest in educating the under privileged children in rural India, improving their health and helping the cause of visually challenged. Mr. Tirodkar is the winner of CII Young Entrepreneurs Trophy 2001. He also has the honor 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 & 2001, respectively. He also received the "Telecom Man of the Year" Award in 1996.

He holds Directorship in GTL Infrastructure Limited and Chennai Network Infrastructure Limited. He is a member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee of GTL Infrastructure Limited.

In GTL Limited he is a member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Mr. Tirodkar's shareholding in the Company is 1,85,99,435 Equity Shares.

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To

The Members of
GTL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GTL LIMITED** ("the Company"), which comprise the Balance sheet as at 31st March, 2016, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014,as applicable.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 the Company's directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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;

a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;

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

c. 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 following matters in the Notes to the standalone financial statements:

a) Note No. 2.8.1 to the standalone financial statements which inter–alia states \describes the uncertainty related to the outcome of the winding up petition filed against the Company by the holders of Non Convertible Debentures issued by the Company.

b) Note No. 2.40 to the standalone financial statements which states and describes that the Company has incurred cash losses, its Net worth has been fully eroded and the Company's current liabilities have exceeded its current assets as at Balance–Sheet date.

These conditions, along with other matters set forth in the said note, indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on going concern basis for the reasons stated in the said Note.

c) Note No.2.31.1 to the standalone financial statements regarding liability under put option exercised on the Company by the financial institution in respect of Optionally Convertible Loan (OCL) of Rs. 100 crores raised by one of its associate, which is treated as contingent liability, for the reasons stated in the said note and which further inter–alia describes uncertainty regarding the winding up proceedings initiated against the Company by the said financial institution.

d) No.2.11.3 to the standalone financial statements which inter–alia states that the book values/market values of certain long term investments held by the Company, referred to in the said note, are lower than their carrying values and non provision for diminution in value of these investments for the reasons stated therein.

e) Note No.2.24.1 to the standalone financial statements regarding managerial remuneration paid to Mr. Sunil S. Valavalkar, Whole time director of the Company, for which the approval of the Central Government is awaited.

Our opinion is not modified in respect of these matters.

Other Matter

In respect of the following outstanding Term Loan balances, interest accrued and provided thereon and Balances in Current Accounts of the Company, Bank Balance Confirmations have not been received.

(Rs. In crores)

Name of The Bank	Balances as per Books as at 31st March, 2016		
	Term Loan Balance	Interest accrued and provided on term loan balance	Balances in Current Account
Catholic Syrian Bank	59.52	8.46	–
Punjab National Bank	345.60	52.23	0.70
State Bank of Hyderabad	23.89	4.05	0.01
Standard Chartered Bank	20.62	5.77	4.72
Total	**449.63**	**70.51**	**5.43**

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The reports on the accounts of the branch office of the Company audited under section 143(8) of the Act, by branch auditor have been sent to us and have been properly dealt with by us in preparing this report.

(d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable.

(f) In our opinion, the following matters described in sub–paragraph (a), (b) and (c) under Emphasis of matter paragraph above, may have an adverse effect on the functioning of the Company:

i) The winding up petition filed by the holders of Non Convertible Debentures issued by the Company.

ii) the going concern matter and

iii) Liability under put option exercised on the Company by the Financial Institution in respect of Optionally Convertible Loan (OCL) of Rs.100 cores raised by one of the Company's associate, treated as contingent liability and the winding up proceedings initiated against the Company by the said financial institution.

(g) On the basis of management representation and on the basis of the legal opinion obtained by the Company, in the context of provisions of section 164(2) of the Act in relation to non–payment of dues to the holders of Non Convertible Debentures and on the basis of the written representations received from the directors as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 2.31.1 to the standalone financial statements.

ii. The Company does not have any long–term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Unpaid dividend of Rs.0.15 Crores pertaining to the years 2000–01, 2001–02 and 2003–04 to 2006–07 which has not been transferred to the Investor Education and Protection Fund but is held in abeyance on account of pending legal cases, is not considered for reporting under this clause.

2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016"), issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the CARO 2016, to the extent applicable.

For **Godbole Bhave & Co.**
Chartered Accountants
Firm Reg. No. – 114445W

M. V. Bhave
Partner
Membership No. 038812

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

S. S. Yeolekar
Partner
Membership No. 036398

Place: Mumbai
Date: 28th April, 2016

ANNEXURE "A"

TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS OF GTL LIMITED

(Referred to in paragraph 1 (h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of GTL Limited on the standalone financial statements for the year ended 31st March, 2016)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub–section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GTL Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:–

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Godbole Bhave & Co.**
Chartered Accountants
Firm Reg. No. – 114445W

M. V. Bhave
Partner
Membership No. 038812

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

S. S. Yeolekar
Partner
Membership No. 036398

Place: Mumbai
Date: 28th April, 2016

ANNEXURE – B

TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS OF GTL LIMITED

(Referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of GTL Limited on the standalone financial statements for the year ended 31st March, 2016)

(i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

As explained to us, the Company has a phased program of physical verification of the fixed assets, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets.

During the year the Company, in accordance with the said program, has physically verified certain fixed assets. No material discrepancies were noticed on such physical verification.

According to the information and explanations given to us and based on the records produced, the title deeds of the immovable properties held by the Company are in the name of the Company. The title deeds of the immovable properties held by the Company are verified from the photo copies of such title deeds as the originals thereof have been deposited with the lenders for securing the borrowings of the Company.

(ii) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the 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) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly clause (iii) of Paragraph 3 of the CARO 2016 is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of investments made, and guarantees provided. According to the information and explanations given to us, the Company has neither provided any security nor given any loans.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of clause (v) of Paragraph 3 of the CARO 2016 are not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the cost records to be maintained under sub–Section (1) of Section 148 of the Act in respect of business activities carried on by the Company. Therefore the provisions of clause (vi) of the paragraph 3 of the CARO 2016 are not applicable to the Company.

(vii) (a) On the basis of examination of the relevant records and according to the information and explanations given to us, we are of the opinion that the Company, except for payment of Sales Tax, is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State insurance, Income–tax, Service Tax, Value Added Tax, Duty of Customs, Duty of Excise, Cess and other applicable statutory dues.

On the basis of examination of the relevant records and according to the information and explanations given to us, except for Sales Tax dues of Rs.5.70 Crores, no undisputed amounts payable in respect of Provident Fund, Employees' State insurance, Income–tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise and Cess were outstanding, as at 31st March 2016 for a period of more than six months from the date they became payable.

(b) On the basis of the books of accounts and records of the Company as produced and examined by us , except for disputed Sales tax and Value Added Tax dues as detailed below, there are no dues of Income Tax, Service Tax, Duty of customs and Duty of excise which have not been deposited on account of any dispute.

Name of the Statute	Nature of Dues	Amount (Rupees in Crores)	Year to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, Sales Tax Act & VAT Acts of various States	Sales/Vat Tax Dues	5.89	1992–1993,1995–1996,2006–2007, 2008–2009, 2009–2010,2010–2011, 2011–2012, 2014–2015 & Feb 09 to Dec 10.	1st Appellate Authority
		5.75	1995–1996,1997–1998, 2002–2003, 2004–2005,2005–2006, 2007–2008, 2008–2009, 2009–2010 & 2010–2011.	2nd Appellate Authority

Out of the above disputed sales tax / value added tax dues, an amount of Rs. 1.99 Crores has been paid by the Company under protest.

(viii) (A) On the basis of, our examination of the records of the Company, the terms of Corporate Debt Restructuring scheme as applicable and according to the information and explanations given to us, the Company has defaulted in repayment of borrowings to financial institutions and banks. The lender wise details of the amount of default and the period of default are as under.

(a) Nature of Dues : Term Loan

(Grouped and disclosed under the heading "Dues payable to Banks for secured long term loan" of note no. 2.8 to the standalone financial statements)

(Rs. In Crores)

Sr. No.	Name of the Lender	Amount of Default	Period Of Default		
			Less than 365 days	More than 365 days but less than 730 days	More than 730 days but less than 1065 days
1	Andhra Bank	73.89	42.62	31.27	–
2	Bank of Baroda	26.20	15.00	11.20	–
3	Bank of India.	92.95	53.11	39.84	–
4	Canara Bank.	51.30	29.32	21.98	–
5	Catholic Syrian Bank	11.70	7.20	4.50	–
6	Dena Bank	41.86	24.41	17.45	–
7	IDBI Bank	26.63	26.63	–	–
8	Indian Bank	25.53	14.59	10.94	–
9	Indian Overseas Bank	37.91	21.66	16.25	–
10	Punjab National Bank	51.27	36.01	15.26	–
11	State Bank Of Hyderabad	5.64	3.61	2.03	–
12	Standard Chartered Bank	6.50	2.89	2.17	1.44
13	Small Industrial Development Bank Of India	25.70	14.69	11.01	–
14	UCO Bank	28.89	16.51	12.38	–
15	Union Bank Of India.	37.65	24.65	13.00	–
16	United Bank Of India	18.06	10.32	7.74	–
17	Vijaya Bank	41.39	23.63	17.76	–

(b) Nature of Dues : Funded Interest Term Loan

(Grouped and disclosed under the heading "Dues payable to Banks for secured long term loan" of note no. 2.8 to the standalone financial statements)

(Rs. In Crores)

Sr. No.	Name of the Lender	Amount of Default	Period Of Default		
			Less than 365 days	More than 365 days but less than 730 days	More than 730 days but less than 1065
1	Andhra Bank	24.62	12.31	12.31	–
2	Bank of Baroda	7.17	3.84	3.33	–
3	Bank of India.	26.33	13.17	13.17	–
4	Canara Bank.	16.76	8.38	8.38	–
5	Catholic Syrian Bank	3.79	2.17	1.62	–

Sr. No.	Name of the Lender	Amount of Default	Period Of Default		
			Less than 365 days	More than 365 days but less than 730 days	More than 730 days but less than 1065
6	Dena Bank	13.64	7.59	6.05	–
7	IDBI Bank	11.58	7.69	3.89	–
8	Indian Bank	6.80	3.40	3.40	–
9	Indian Overseas Bank	11.04	5.52	5.52	–
10	Punjab National Bank	18.78	10.88	7.90	–
11	State Bank Of Hyderabad	1.59	0.91	0.68	–
12	Standard Chartered Bank	1.80	0.64	0.64	0.52
13	Small Industrial Development Bank Of India	6.39	3.19	3.20	–
14	UCO Bank	7.43	3.72	3.71	–
15	Union Bank Of India.	8.91	6.02	2.89	–
16	United Bank Of India	6.21	3.11	3.10	–
17	Vijaya Bank	13.32	6.67	6.65	–

(c) Nature of Dues: Liability for Bank Guarantee Invocation

(Grouped and disclosed under the heading "Dues payable to Banks for secured long term loan" of note no. 2.8 to the standalone financial statements)

(Rs. In Crores)

Sr. No.	Name of the Lender	Amount of Default	Period Of Default
1	Andhra Bank	7.27	More than 365 days but less than 730 days
2	Dena Bank	17.59	More than 365 days but less than 730 days
3	IDBI Bank	2.65	More than 365 days but less than 730 days
4	Punjab National Bank	58.04	More than 365 days but less than 730 days
5	UCO Bank	6.60	More than 365 days but less than 730 days
6	Union Bank Of India.	20.12	More than 365 days but less than 730 days

(d) Nature of Dues: External Commercial Borrowings

(Disclosed under the heading "Dues payable to Lenders of External Commercial Borrowing" of note no. 2.8 to the standalone financial statements)

(Rs. In Cores)

Sr. No.	Name of the Lender	Amount of Default	Period Of Default
1	Bank Muscat	33.08	More than 1460 days but less than 1825 days
2	Amilife Insurance PCC Ltd	66.16	More than 1460 days but less than 1825 days
3	Bank of Baroda–London	209.49	More than 1460 days but less than 1825 days
4	Bank of india–London	85.20	More than 1460 days but less than 1825 days
5	Pegasus CP one Ltd	99.23	More than 1460 days but less than 1825 days
6	Indian Bank–Colombo	33.08	More than 1460 days but less than 1825 days
7	Indian Bank–Singapore	33.08	More than 1460 days but less than 1825 days
8	Indian Overseas Bank–Hongkong	66.16	More than 1460 days but less than 1825 days
9	Punjab National Bank–London	44.10	More than 1460 days but less than 1825 days
10	Syndicate Bank–London	66.15	More than 1460 days but less than 1825 days

(B) Nature of Dues : Non Convertible Debentures

As regards dues of Rs.1649.16 crores disclosed as Dues/Payable to the holder of Non Convertible Debentures and grouped under the heading Other Current Liabilities, we invite attention to Note No 2.8.1 to the standalone financial statements which inter–alia states that "due to certain inter–creditor issues, and pendency of consent by CDR Lenders, the restructuring of NCD as was bilaterally agreed between the Company and NCD Holders in terms of amendment to the original sanction letter, on March 22, 2014 could not be implemented within the time prescribed under definitive documentation entered into with the NCD holders. While the Company was in the process of obtaining consent of the CDR lenders on bilateral restructuring documents, the Company received a notice on October 27, 2014 from the NCD holder exercising its rights for acceleration of the entire outstanding amount and in January, 2015 the NCD holders filed winding up petition against the Company before Hon'ble High Court of Bombay seeking certain urgent / interim reliefs. The CDR and ECB lenders of the Company have also intervened in the proceedings initiated by the NCD holder. The Bombay High Court has asked CDR lenders' position on the NCD holder's treatment on pari–passu basis. The matter is currently sub–judice.

Since all funds of the Company are subject matter of Trust and Retention Account (TRA) which is controlled by CDR lenders, the question of payment to NCD holder does not arise until and unless CDR lenders decide on the issue as directed by the Hon'ble High Court of Bombay."

In view of the above facts and as the matter is presently sub–judice ,we are unable to offer any comment on default, if any, in payment of dues to the Holders of Non Convertible debentures issued by the Company.

(ix) According to the information and explanations given to us and on the basis of examination of records, the Company has neither obtained new term loans nor raised any money by way of initial public offer or further public offer of shares and/ or debt instruments during the year. Therefore, the provisions of clause (ix) of Paragraph 3 of the CARO 2016 are not applicable to the Company.

(x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of records of the Company, the Company is required to obtain Central Government permission in respect of managerial remuneration of Rs.0.15 crores paid to one of its whole time directors and accordingly the Company has made requisite application with Central Government. The approval from the Central Government is still awaited.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause (xii) of Paragraph 3 of the CARO 2016 are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of records of the Company, the transactions entered with related parties are in compliance with provisions of section 177 and 188 of the Act, where applicable and the details of such transactions are disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly the provisions of clause (xiv) of Paragraph 3 of the CARO 2016 are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us and based on our examination of records of the Company, the Company during the year has not entered into any non cash transactions with directors or persons connected with the directors and accordingly the provisions of clause (xv) of Paragraph 3 of the CARO 2016 are not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45–IA of the Reserve Bank of India Act,1934 and accordingly the provisions of clause (xvi) of Paragraph 3 of the CARO 2016 are not applicable to the Company.

For **Godbole Bhave & Co.**
Chartered Accountants
Firm Reg. No. – 114445W

M. V. Bhave
Partner
Membership No. 038812

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

S. S. Yeolekar
Partner
Membership No. 036398

Place: Mumbai
Date: 28th April, 2016

Balance Sheet as at March 31, 2016

(₹ in Crore)

		Note	As at March 31, 2016	As at March 31, 2015
I.	**EQUITY AND LIABILITIES**			
	SHAREHOLDER'S FUNDS			
	Share Capital	2.1	**807.30**	807.30
	Reserves and Surplus	2.2	**(3,388.23)**	(780.79)
			(2,580.93)	26.51
	NON–CURRENT LIABILITIES			
	Long–term borrowings	2.3	**1,109.22**	1,596.78
	Other Long term liabilities	2.4	**NIL**	NIL
	Long term provisions	2.5	**1.12**	1.32
			1,110.34	1,598.10
	CURRENT LIABILITIES			
	Short–term borrowings	2.6	**286.56**	261.35
	Trade payables	2.7	**124.41**	314.08
	Other current liabilities	2.8	**4,830.66**	3,799.76
	Short–term provisions	2.9	**0.04**	0.62
			5,241.67	4,375.81
	Total		**3,771.08**	6,000.42
II.	**ASSETS**			
	NON–CURRENT ASSETS			
	Fixed assets	2.10		
	Tangible assets		**142.82**	239.08
	Intangible assets		**0.80**	1.07
	Capital work–in–progress		**0.23**	0.59
			143.85	240.74
	Non–current investments	2.11	**2,230.67**	3,594.78
	Long term loans and advances	2.12	**575.00**	1,109.97
			2,805.67	4,704.75
	CURRENT ASSETS			
	Current investments	2.13	**NIL**	20.81
	Inventories	2.14	**NIL**	5.63
	Trade receivables	2.15	**138.48**	224.29
	Cash and bank balances	2.16	**79.56**	73.34
	Short–term loans and advances	2.17	**508.82**	413.87
	Other current assets	2.18	**94.70**	316.99
			821.56	1,054.93
	Total		**3,771.08**	6,000.42
Significant Accounting Policies and Notes form an integral part		1		
of the financial statements		2.1 to 2.44		

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

For **M/s Godbole Bhave & Co.**
Chartered Accountants
FRN No.114445W

For **M/s Yeolekar & Associates**
Chartered Accountants
FRN No.102489W

Sunil S. Valavalkar
Whole–time Director

Vijay Vij
Director

M.V. Bhave
Partner
Membership No. 38812

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : April 28, 2016

Statement of Profit and Loss for the year ended March 31, 2016

(₹ in Crore)

	Note	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Continuing Operations			
Revenue from operations	2.20	**1,240.36**	1,354.39
Less: Excise Duty		**NIL**	NIL
		1,240.36	1,354.39
Other Income	2.21	**40.93**	82.07
Total Revenue		**1,281.29**	1,436.46
Expenses:			
Cost of Purchases/Services	2.22	**950.30**	1,054.75
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	2.23	**3.30**	4.25
Employee benefits expenses	2.24	**133.11**	143.65
Finance Costs	2.25	**531.68**	464.56
Depreciation and amortization expense	2.10	**98.48**	123.72
Other expenses	2.26	**184.87**	97.79
Total Expenses		**1,901.74**	1,888.72
Loss before exceptional items and tax		**(620.45)**	(452.26)
Less : Exceptional Items	2.27	**(1,947.25)**	(39.22)
Loss after exceptional items but before tax		**(2,567.70)**	(491.48)
Less : Tax Expenses	2.28	**NIL**	NIL
Loss after tax expense from continuing operations		**(2,567.70)**	(491.48)
Discontinuing operations	2.29		
Loss before tax from discontinuing operations		**(39.74)**	(309.81)
Less : Tax Expenses of Discontinuing operations		**NIL**	NIL
Loss after tax expense from discontinuing operations		**(39.74)**	(309.81)
Loss for the year		**(2,607.44)**	(801.29)
Earnings per equity share:			
Equity shares of par value ₹ 10/– each			
Basic		**(165.78)**	(50.95)
Diluted		**(165.78)**	(50.95)
Significant Accounting Policies and Notes form an integral part of the financial Statements	1 2.1 to 2.44		

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

For **M/s Godbole Bhave & Co.**
Chartered Accountants
FRN No.114445W

For **M/s Yeolekar & Associates**
Chartered Accountants
FRN No.102489W

Sunil S. Valavalkar
Whole–time Director

Vijay Vij
Director

M.V. Bhave
Partner
Membership No. 38812

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : April 28, 2016

Cash Flow Statement for the year ended March 31, 2016

(₹ in Crore)

Particulars		For the Year ended March 31, 2016	For the Year ended March 31, 2015
CASH FROM OPERATING ACTIVITIES			
Net Loss before tax from Continuing Operation		**(2,567.70)**	(491.48)
Net Loss before tax from Discontinuing Operation		**(39.74)**	(309.81)
Net loss before tax		**(2,607.44)**	(801.29)
Adjustments for:			
Depreciation – Continuing operation		**98.48**	123.72
Depreciation – Discontinuing operation		**0.02**	2.50
Interest and Dividend Income		**(5.48)**	(25.05)
Bad Debts written off		**NIL**	14.98
Provision for doubtful Trade Receivables (Net)– Continuing operation		**79.72**	34.75
Provision for doubtful Trade Receivables (Net)– Discontinuing operation		**10.00**	28.92
Provision for doubtful short term loans and advance		**45.76**	0.82
Assets Written off		**NIL**	8.55
Debit/Credit balances and claims written off (Net)		**(2.20)**	(2.92)
(Profit)/Loss on sale of fixed assets (Net)		**(0.23)**	0.04
(Profit) on sale / redemption of Investments		**(2.99)**	(7.54)
Unrealised Exchange (Gain)/Loss		**3.04**	1.55
Provision for Wealth Tax		**NIL**	0.01
Interest on Borrowings		**502.06**	430.82
Financial Charges		**3.52**	6.57
Exceptional Items :			
Provision for doubtful Advance (Net)		**555.91**	136.00
Provision for diminution in investments		**1,391.34**	45.00
Remission of Loan Liability (Principal Amount)		**NIL**	(42.49)
Suppliers Claim – Continuing operation		**NIL**	245.72
Claim received from Aircel		**NIL**	(345.00)
Claims of Distribution franchise –Discontinuing operation		**NIL**	113.49
Operating Profit before Working Capital changes		**71.51**	(30.85)
Adjustments for:			
Inventories		**5.63**	2.00
Trade Receivables		**(1.78)**	26.47
Loans and advances		**(136.55)**	113.68
Other Current Assets		**11.53**	44.21
Trade payables		**22.21**	61.79
Other liabilities and provisions		**6.91**	(33.09)
Cash generated from Operations		**(20.54)**	184.21
Direct taxes received / (paid)		**(5.90)**	40.98
Cash Flow from Operating Activities		**(26.44)**	225.19
Exceptional Items :			
Claim received from Aircel		**NIL**	345.00
Vendors Claims paid		**NIL**	(245.72)
Net Exceptional Items		**NIL**	99.28
Net cash Generated from / (used in) operating activities:	**(A)**	**(26.44)**	324.47

(₹ in Crore)

Particulars		For the Year ended March 31, 2016	For the Year ended March 31, 2015
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		**(1.61)**	(21.20)
Proceeds from Sale of Fixed Assets		**0.43**	0.73
Proceeds from sale of Investments in Mutual Fund		**162.80**	849.19
Purchase of Investments – Mutual Fund		**(139.00)**	(818.45)
Realisation from Sale of investments – Other than Subsidiaries		**NIL**	3.00
Interest and Dividend Income		**1.70**	4.04
Net cash generated from/(used in) investing activities	**(B)**	**24.32**	17.31
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in Borrowings		**46.71**	149.19
Decrease in Borrowings		**(7.48)**	(347.97)
Interest paid		**(27.37)**	(230.55)
Financial Charges		**(3.52)**	(6.57)
Fixed deposits with banks held as margin money		**6.39**	23.35
Net cash Generated from/(used in) financing activities	**(C)**	**14.73**	(412.55)
Net increase / (decrease) in cash and cash equivalents	**(A + B + C)**	**12.61**	(70.77)
Cash and cash equivalents (Opening)		**54.66**	125.43
Cash and cash equivalents (Closing)		**67.27**	54.66

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

(ii) Figures in brackets indicate outflows.

(iii) Cash and Cash Equivalents at the end of the year include ₹ 0.46 Crore (Previous Year ₹ 0.59 Crore) towards amount payable for Unclaimed Dividend.

(iv) Following transactions since not involving cash flows are not considered in preparation of above Statement :

a) Increase in borrowings of ₹ NIL Crore (PY 249.16) on account of conversion of part of the accrued interest liability relating to NCD.

(v) Previous year's figures have been regrouped/rearranged/recast wherever necessary to make them camparable with those of current year.

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

For **M/s Godbole Bhave & Co.**
Chartered Accountants
FRN No.114445W

For **M/s Yeolekar & Associates**
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Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : April 28, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Financial Statements:

The Financial Statements have been prepared on a going concern basis under historical cost convention on accrual basis, in accordance with the generally accepted accounting principles in India and relevant provisions of the Companies Act, 2013.

2. 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 year. The difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. Revenue recognition:

Revenues are recognized when it is earned and when there is no significant uncertainty as to its measurement and realization. The specific revenue recognition policies are as under:

a. Revenue from Turnkey Contracts, which are either Fixed Price or Cost Plus contracts, is recognized based on work completion of activity or achievement of milestone.

b. Revenue from sale of products is recognized upon passing of the title of goods and/or on transfer of significant risk and rewards of ownership thereto.

c. Revenue from Power distribution is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the accounting year.

d. Revenue from Services is recognized on performance of Service.

e. Dividend income is recognized when the right to receive dividend is established.

f. Income such as annual maintenance contracts, annual subscriptions, Interest excluding interest on delayed payments, Lease Rentals, Facility Management is recognized as per contractually agreed terms on time proportion basis.

g. Other income is recognized when the right to receive is established.

h. Delayed payment charges and interest on delayed payments are recognized, on grounds of prudence, as and when recovered.

4. Fixed Assets, Intangible Assets and Capital Work in Progress:

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. All identifiable costs incurred up to the date asset is put to use are capitalized. Costs include purchase price (including non–refundable taxes/duties) and borrowing costs for the assets that necessarily take a substantial period of time to get ready for its intended use. Costs are adjusted for grants available to the Company which are recognized based on reasonable assurance that the Company will comply with the conditions attached to the grant and it is reasonably certain that the ultimate collection of grants will be made.

Intangible Assets are stated at the cost of acquisition less accumulated amortization. In case of an internally generated assets, cost includes all directly allocable expenditures. Intangible assets exclude the operating software, which forms an integral part of the hardware.

Capital Work In Progress includes cost of fixed assets that are not ready for their intended use as at the balance sheet date.

5. Depreciation:

i. Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method over the useful life of the assets and in the manner prescribed in schedule II to the Companies Act, 2013 except in respect of following Fixed Assets where the assessed useful life is different than that prescribed in Schedule II.

i) In respect of the following assets, the useful economic life as assessed is lower than the useful life for these assets as stated in Schedule II.

Sr.	Asset	Economic Useful Life (Years)
1	Buildings (including land for which no separate Valuation is available)	58
2	Plant and Equipment	3 to 10
3	Furniture and Fixtures	5
4	Test and Repair Equipment	5
5	Vehicles	5

Sr.	Asset	Economic Useful Life (Years)
6	Assets acquired for Power Distribution Franchise (Classified as Plant & Machinery)	
	a) Transformers, Switch Gears and Equipment	13
	b) Meters	8
	c) Overhead lines for Distribution	13
	d) Underground lines for Distribution	20

ii) Assets costing individually ₹ 5,000 or less are depreciated fully in the year of purchase.

ii. Assets taken on lease are depreciated as per useful life prescribed in schedule II, over lease period or the estimated useful life of such assets, whichever is lower. The improvements to leasehold assets are depreciated as per useful life prescribed in schedule II, over the lease period, the estimated useful life of the improvements or the balance lease period, whichever is lower.

6. Impairment of Assets:

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting year/s is reversed if there has been a change in the estimate of recoverable amount.

7. Investments:

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

8. Inventories:

a. Inventories including Work–in–process and stores and spares are valued at the lower of cost and net realizable value.

b. Cost of inventories is generally ascertained on first in first out basis.

9. Foreign currency transactions:

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

b. Monetary foreign currency items are reported at the exchange rates as at Balance Sheet date.

c. In respect of transactions covered under forward exchange contracts, the difference between the exchange rates prevailing at the Balance Sheet date and rate on the date of the contract is recognized as exchange difference. The premium on forward contract/s is amortized over the life of the contract.

d. Non–monetary foreign currency items are carried at cost.

e. Any gains or losses on account of exchange difference either on settlement or on translation are recognized in the Statement of Profit and Loss.

f. Foreign branch operations which are integral part of Company's operations, transactions there at are reported as under:

   i. Income and expenditure items at the exchange rate prevailing on the date of transaction.

   ii. Monetary items using exchange rates at the Balance Sheet date.

   iii. Non–monetary items at the exchange rates prevailing on the date of transaction.

10. Employee Benefits:

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

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

c. In respect of employee's stock options, the excess of market price on the date of grant over the exercise price is recognized as deferred employee compensation expenses, which are amortized over vesting period.

11. Provision for Current and Deferred Tax:

a. Current Tax: Provision is made for income tax, under the tax payable method, based on the liability as computed after taking credit for allowances, exemptions, and MAT credit entitlement for the year. Adjustments in books are made only after the completion of the assessment. In case of matters under appeal, due to disallowances or otherwise, full provision is made when the Company accepts the said liabilities.

b. Deferred tax: The differences that result between the profit / loss offered for income tax and the profit / loss as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent there is virtual certainty that the asset will be realized in the future. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

12. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized 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 appropriately disclosed. Contingent Assets are neither recognised nor disclosed in the financial statements.

13. Financial Derivatives and Hedging Transactions:

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

14. Borrowing Cost:

a. Borrowing costs, less any income on the temporary investment out of those borrowings, that are directly attributable to acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of that asset.

b. Other borrowing costs are recognized as expense in the period in which they are incurred.

15. Leases:

a. Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the Statement of Profit and Loss on a straight–line basis over the lease term.

b. Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to the Company are classified as Finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

16. Provision for Doubtful Debts and Loans and Advances:

Provision is made for doubtful trade receivables, loans and advances when the management considers trade receivables, loans and advances to be doubtful of recovery.

17. Research and Development:

a. Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred.

b. Capital expenditure on Research and Development is included under the relevant fixed assets and depreciation thereon is provided as given in policy no. 5 above

18. Cash and Cash equivalents :

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, cheques in hand and deposits with banks having maturity period less than three months from the date of acquisition.

19. Discontinued operations:

An operation of the Company is considered as discontinued when it meets the following criteria:

A discontinued operation is a component of the Company's business, that can be distinguished operationally and for financially reporting purposes and which represents a separate major line of business or geographical area of operations that company is disposing of substantially in its entirety, such as by selling the component in a single transaction or by demerger or spin–off of ownership of the component to the Company's shareholders or disposing of piecemeal, such as by selling off the component's assets and settling its liabilities individually; or terminating through abandonment.

2. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.1 SHARE CAPITAL

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised:		
290,000,000 (290,000,000) Equity Shares of ₹ 10 each.	**290.00**	290.00
810,000,000 (810,000,000) Preference Shares of ₹ 10 each.	**810.00**	810.00
	1,100.00	1,100.00
Issued, subscribed and paid up:		
157,296,781 (157,296,781) Equity Shares of ₹ 10 each fully paid–up.	**157.30**	157.30
650,000,000 (650,000,000) 0.01% Non–participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid–up.	**650.00**	650.00
Total	**807.30**	807.30

2.1.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the year:

(₹ In Crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Nos.	Amount	Nos.	Amount
Number of Equity Shares at the beginning of the year	**157,296,781**	**157.30**	157,296,781	157.30
Total Number of Equity Shares at the end of the year	**157,296,781**	**157.30**	157,296,781	157.30

2.1.2 Reconciliation of the Preference shares outstanding at the beginning and at the end of the year:

(₹ in Crore)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Nos.	Amount	Nos.	Amount
Number of Preference Shares at the beginning of the year	**650,000,000**	**650.00**	650,000,000	650.00
Total Number of Preference Shares at the end of the year	**650,000,000**	**650.00**	650,000,000	650.00

2.1.3 Terms, Rights, Preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a face value of ₹ 10/– per share. Each holder of equity share is entitled to one vote on show of hands and in case of poll, one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the Company in respect of any of the equity shares of such member. All equity shares of the Company rank *pari–passu* in all respects including the right to dividend.

In the event of winding–up of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, if any, after distribution of all preferential amounts in proportion to the number of shares held at the time of commencement of winding–up.

The equity shareholders have all other rights as available to equity shareholders as per the provisions of Companies Act, 2013 , read together with Memorandum of Association of the Company.

2.1.4 Terms, Rights, Preferences and restrictions attached to 0.01% – Non Participating Optionally Convertible Cumulative Preference Shares (OCPS):

The Company has only one class of preference shares, having face value of ₹ 10/– per share allotted to Chennai Network Infrastructure Limited (CNIL). In terms of the issue, CNIL had right to convert OCPS into equity shares from the expiry of 6 months from the date of allotment till 18 months of the date of allotment. However, CNIL has opted for non–conversion of OCPS into equity shares.

The OCPS carry a dividend of 0.01 % per annum, payable on a cumulative basis on the date of conversion / redemption as the case may be. Any declaration and payment of dividend shall at all times be subject to the availability of Profits and the terms of the restructuring of the debts under the Corporate Debt Restructure (CDR) Mechanism, unless otherwise agreed by the CDR Lenders. Further, in the event of inability of the Company to declare / pay dividend due to non–availability of Profits / pursuant to the terms of restructuring, the dividend may be waived by CNIL.

After the expiry of a period of 6 months from the Allotment Date, the OCPS may at the Option of the Company be redeemed at any time prior to the expiry of 20 years from the date of the allotment, in part or in full, after providing a prior written notice of 30 days to CNIL. As agreed by the OCPS holder, the original term providing Yield to Maturity of 8% by way of redemption premium has been repealed by the Board.

Other than as permitted under applicable laws, CNIL will not have a right to vote at the Company's General Meetings. CNIL has also agreed to waive the right to vote in the event it waives the right to receive dividend.

In the event of winding–up of the Company, the OCPS holder/s will be entitled to receive in proportion to the number of shares held at the time of commencement of winding–up, any of the remaining assets of the Company, if any, after distribution to all secured creditors and their right to receive monies out of the remaining assets of the Company shall be reckoned *pari–passu* with other unsecured creditors, however, in priority to the equity shareholders.

The OCPS holder/s shall have such rights as per the provisions of Companies Act, 2013, read together with Memorandum of Association of the Company.

2.1.5 The details of shareholders holding more than 5% of Equity shares in the Company

Name of the shareholder	**No. of Shares as at March 31, 2016**	**% held as at March 31, 2016**	No. of Shares as at March 31, 2015	% held as at March 31, 2015
Global Holding Corporation Private Limited	**50,980,559**	**32.41%**	50,980,559	32.41%
Manoj G. Tirodkar	**18,599,435**	**11.82%**	18,599,435	11.82%

2.1.6 The details of shareholders holding more than 5% of Preference shares in the Company

Name of the shareholder	**No. of Shares as at March 31, 2016**	**% held as at March 31, 2016**	No. of Shares as at March 31, 2015	% held as at March 31, 2015
Chennai Networks Infrastructure Limited	**650,000,000**	**100%**	650,000,000	100%

2.2 RESERVES AND SURPLUS

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Capital Reserve		
Opening balance (Refer Note 2.41)	**0.00**	0.00
Closing Balance (Refer Note 2.41)	**0.00**	0.00
Capital Redemption Reserve		
Opening balance	**8.63**	8.63
Closing Balance	**8.63**	8.63
Securities Premium Reserve		
Opening balance	**448.18**	448.18
Closing Balance	**448.18**	448.18
Debenture Redemption Reserve		
Opening balance	**191.16**	191.16
Closing Balance	**191.16**	191.16
General Reserve		
Opening balance	**510.76**	510.76
Closing Balance	**510.76**	510.76
Balance in Statement of Profit and Loss :		
Surplus /(Deficit) Opening Balance	**(1,939.52)**	(1,138.23)
Add /Less : Net profit / (loss) after tax transferred from Statement of Profit and Loss	**(2,607.44)**	(801.29)
Surplus/(Deficit) Closing Balance	**(4,546.96)**	(1,939.52)
Total of Reserves and Surplus	**(3,388.23)**	(780.79)

*In view of Loss incurred, no Debenture Redemption Reserve is created since year ended March 31, 2012.

2.3 LONG TERM BORROWINGS

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loans		
Term Loans:		
From Banks (Refer Note 2.3.1 & 2.3.2)	**1,109.22**	1,596.78
Total of Long Term Borrowings	**1,109.22**	1,596.78

2.3.1 Nature of security:

I) Security created in favor of CDR Lenders:

a) A first charge and mortgage on all immovable properties, present and future;

b) A first charge by way of hypothecation over all movable assets, present and future;

c) A first charge on the Trust and Retention Account and other reserves and any other bank accounts wherever maintained, present & future;

d) A first charge, by way of assignment or creation of charge, over:

i. all the right, title, interest, benefits, claims and demands whatsoever in the Project Documents duly acknowledged and consented to by the relevant counter–parties to such Project Documents, all as amended, varied or supplemented from time to time;

ii. all the rights, title, interest, benefits, claims and demands, whatsoever, in the Clearances;

iii. all the right title, interest, benefits, claims and demands, whatsoever, in any letter of credit, guarantee, performance bond provided by any party to the Project Documents;

iv. all the rights, title, interest, benefits, claims and demands, whatsoever, in Insurance Contracts / proceeds under Insurance Contracts;

e) Pledge of all shares held in the Company by one of the Promoters of the Company namely Mr. Manoj G. Tirodkar;

f) Pledge of all investments of the Company, except investment in Global Rural Netco Ltd (GRNL) which will be pledged on fulfillment of financial covenant agreed with the lenders of GRNL;

g) Mr. Manoj G. Tirodkar, one of the promoters of the Company, has extended a personal guarantee. The guarantee is limited to an amount of ₹ 394.28 Crore; and

h) Mr. Manoj G. Tirodkar and Global Holding Corporation Private Limited, promoters of the Company, have executed sponsor support agreement to meet any shortfall or expected shortfall in the cash flows towards the debt servicing obligations of the Company;

II) Security offered to CDR Lender's pending creation of charge

a) The Company's one of the promoters namely GHC along with its step down subsidiaries has to extend corporate guarantee; and

b) GHC has to pledge its holding in the Company that is currently pledged by GHC in favor of its lenders, as and when released, either in full or part.

III) Prior to the restructuring of the Company's debts under CDR Mechanism, the Company created security on certain specified tangible assets of the Company in favour of Andhra Bank, Punjab National Bank, Union Bank of India, Vijaya Bank, IDBI Bank Limited, State Bank of Hyderabad, Bank of Baroda, UCO Bank, Indian Overseas Bank, Indian Bank, Canara Bank and Dena Bank for their respective credit facilities other than term loans, aggregating ₹ 1,572 Crore. In terms of CDR Documents inter–alia Master Restructuring Agreement, the earlier charges are not satisfied by the Company after creation of new security as stated in I above.

2.3.2 Maturity profile of Long Term Borrowings and Current Maturities thereof:

(₹ in Crore)

Nature of facility and Rate of interest	During the Financial Year Ending				
	Mar 17	Mar 18	Mar 19	Mar 20	Mar 21
WCTL – 11%	369.74	415.95	231.09	231.09	231.09
FITL – 2%	117.82	NIL	NIL	NIL	NIL
Total	**487.56**	**415.95**	**231.09**	**231.09**	**231.09**

2.3.2.1 In view of the non–payment of loan installments and interest accrued thereon, CDR lenders have classified facilities provided to the Company as Non – Performing Assets (NPA). Considering the continuation of CDR package, the maturity profile presented above is as per approved CDR package.

2.4 OTHER LONG TERM LIABILITIES

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Security Deposits	**NIL**	NIL
Total	**NIL**	NIL

2.5 LONG TERM PROVISIONS

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Provision for Employee Benefit		
Leave Encashment	**1.12**	**1.32**
Total	**1.12**	**1.32**

2.6 SHORT TERM BORROWINGS

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Loans repayable on demand :		
From Banks		
– Cash Credit – Secured*	**286.56**	261.35
Total	**286.56**	261.35

*For details of Securities offered in respect of cash credit facility refer note no. 2.3.1

2.7 TRADE PAYABLE

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Trade Payables (Refer note no 2.7.1, 2.7.2 and 2.18.2)	**124.41**	314.08
Total	**124.41**	314.08

2.7.1 The Balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment, if necessary, will be considered in the year of reconciliation.

2.7.2 Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

The information required to be disclosed has been furnished to the extent parties have been identified as Micro, Small and Medium Enterprises on the basis of information available in this regard with the Company.

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Principal amount remaining unpaid	**0.94**	0.99
Interest due thereon	**2.58**	2.35
The amount of interest paid in terms of section 16, along with the amounts of the payment made beyond the appointed day during accounting year	**NIL**	NIL
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	**0.04**	0.13

Particulars	As at March 31, 2016	As at March 31, 2015
The amount of interest accrued and remaining unpaid at the end of accounting year	**2.58**	2.35
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	**0.23**	0.32

2.8 OTHER CURRENT LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of Secured Long Term Loan from Bank (Refer Note No. 2.3.1)	**487.56**	467.92
Due / Payable to holder of Non–Convertible Debentures (Refer Note No. 2.8.1)	**1,649.16**	1,649.16
Dues payable to Lenders of External Commercial Borrowing (Refer Note No. 2.8.2)	**735.73**	694.86
Dues payable to Banks for Secured Long Term Loan(Refer Note No.2.8.3)	**901.50**	419.55
Interest accrued and due on borrowings (Refer Note No. 2.8.4)	**968.25**	487.92
Interest accrued and due on Others	**2.59**	2.35
Unpaid dividends	**0.46**	0.59
Capex Creditors	**0.47**	0.28
Expense Creditors	**14.27**	15.37
Provision for Expenses	**18.48**	9.22
Accrued salaries and Employee benefits	**1.32**	0.89
Withholding and other taxes payable	**8.30**	11.63
Advance from Customers	**15.82**	13.69
Security Deposit Received*	**2.25**	2.23
Unearned Revenue	**23.16**	23.04
Other Liabilities**	**1.34**	1.06
Total	**4,830.66**	**3,799.76**

*Include ₹ 2.16 Crore (₹ 2.16 Crore) received from related party.

**Includes due to employees towards insurance claims received ₹ 1.30 Crore (₹ 1.05 Crore).

2.8.1 In the financial statements of the earlier financial year, the following was disclosed in relation to the Rated Redeemable Unsecured Rupee Non–Convertible Debentures issued by the Company:

"The holder of Rated Redeemable Unsecured Rupee Non–Convertible Debentures have given their consent to be part of the Corporate Debt Restructuring Scheme. Accordingly, the Company and the holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures have entered into amendment to the original sanction letter on March 22, 2014 to restructure NCD debt, pending fulfillment of conditions mentioned therein, the effect of the same is not given in the books.

The time period for complying with the various conditions was originally May 31, 2014 and the same was subsequently extended to July 31, 2014.

While the Company had taken steps towards fulfillment of its obligations including payment of a sum of ₹ 123.80 Crore in the previous year towards interest, due to certain inter–creditor issues, and pendency of consent by CDR Lenders, the restructuring could not be implemented within the time prescribed under definitive documentation entered into with the NCD holders.

While the Company was in the process of obtaining consent of the CDR lenders on bilateral restructuring documents, the Company received a notice on October 27, 2014 from the NCD holder exercising its rights for acceleration of the entire outstanding amount and in January 2015 the NCD holder filed winding up petition against the Company before Hon'ble High Court of Bombay seeking urgent / interim reliefs such as desisting from making any further payment to CDR lenders till ECB / NCD interest / principal dues are paid, share the proceeds of TRA account on *pari–passu* with CDR lenders and going forward to create security in favour of NCD holder. The Company has taken appropriate legal steps in these matters to defend / protect its interest. The

CDR and ECB lenders of the Company have also intervened. The Bombay High Court has asked CDR lenders position on the NCD holder's treatment on *pari–passu* basis. The matter is currently sub–judice.

Since all funds of the Company are subject matter of Trust and Retention Account (TRA) which is controlled by CDR lenders, the question of payment to NCD holder does not arise until and unless CDR lenders decide on the issue as directed by the Hon'ble High Court of Bombay.

The above circumstances have resulted in non–payment of dues to the NCD holders, which is beyond the control of the management and thus not in the nature of default."

Since reporting in the financial statements as above in the previous year, the 3 set of Lenders viz CDR Lenders, ECB Lenders and NCD Holder considered the One Time Settlement (OTS) proposal of the Company for settlement of their dues in various meetings. As a culmination of such discussions, all the above 3 set of Lenders have agreed in–principle to consider the OTS proposal and the sharing ratio as decided by the lenders.

2.8.2 The Company availed an External Commercial Borrowing ("ECB") facility of USD 150 Mn in September 2006. The facility was due for repayment in September 2011. An amount of ₹ 735.73 Crore (USD 111.21 Mn) is presently owed to the ECB Lenders.

By way of background, it may be noted that on account of the various factors that adversely affected the Telecom and Power industries (and in particular, the Company), the Company was constrained to restructure its debt under the Corporate Debt Restructuring ("CDR") scheme with effect from July 2011. Pursuant to the terms of the said CDR package, the Company and the ECB lenders also agreed to an indicative term sheet for restructuring of ECB facilities. Even though RBI approval for the restructuring was obtained, due to the contrarian stands taken by different sets of lenders, the inter–creditor agreement could not be executed.

Pending execution of the documentation (which was being deliberated amongst the CDR lenders, the ECB lenders & the NCD holders), some of the ECB lenders filed an Application for Summary Judgment before the High Court of Justice, Queen's Bench Division, Commercial Court, London ("London High Court"). The London High Court, after hearing the parties, by way of its Order dated 20th February, 2015 dismissed the ECB lenders' application for summary judgment on their claim of interest post 19th September, 2011 and directed the Company to pay outstanding principal amount of USD 21.67 Mn, equivalent to ₹ 135.37 Crore, to the 3 ECB lenders who approached the court. The Court has also directed payment of GBP 31,500 equivalent to ₹ 0.29 Crore towards Claimants legal costs by the Company.

Since reporting in the financial statements as above in the previous year, the 3 set of Lenders viz CDR Lenders, ECB Lenders and NCD Holder considered the One Time Settlement (OTS) proposal of the Company for settlement of their dues in various meetings. As a culmination of such discussions, all the above 3 set of Lenders have agreed in–principle to consider the OTS proposal and the sharing ratio as decided by the lenders.

2.8.3 Dues payable to Banks for Secured Long Term Loan of ₹ 901.50 Crore represent overdue amount relating to period June 14 to March 2016 (Previous year ₹ 419.55 Crore relating to period June 14 to March 2015).

2.8.4 Interest accrued and due on borrowings comprises of:

a) Overdue Interest of ₹ 346.25 Crore relating to the period March 14 to March 16(previous year ₹ 189.28 Crore relating to the March 2014 to March 2015) on amounts due to holders of Rated Redeemable Unsecured Rupee Non–convertible Debentures;

b) Overdue Interest of ₹ 131.95 Crore relating to the period for December 12,2011 to March 31,2016(previous year ₹ 93.75 Crore relating to the period December 12, 2011 to March 31, 2015) on External Commercial Borrowings.

c) Overdue Interest of ₹ 454.44 Crore relating to the period June 2014 to March 2016 (previous year ₹ 196.54 Crore relating to the period June 2014 to March 2015) on Secured Term Loan

d) Overdue interest of ₹ 13.32 Crore relating to the period June 2014 to March 2016(previous year ₹ 5.87 Crore relating to the period June 2014 to March 2015) on Secured Funded Interest Term Loan

e) Overdue interest of ₹ 12.50 Crore September 2014 to March 2016(previous year ₹ 2.48 Crore relating to the period September 2014 to March 2015) on Cash Credit facility.

f) Overdue interest of ₹ 9.79 Crore November 2014 to March 2016 (previous year ₹ Nil) on Dues towards BG Invocation facility.

The Company continues to account for the interest obligations on various credit facilities as per the terms of CDR / the amended terms / as per the original terms of sanction as applicable.

2.9 SHORT TERM PROVISIONS

(₹ in. Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
i) Gratuity	**NIL**	**0.49**
ii) Leave Encashment	**0.04**	**0.13**
Total	**0.04**	**0.62**

2.10 FIXED ASSETS (CURRENT YEAR)

(₹ in. Crore)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2015	For the period Additions	Sale / Adjustment	**As at March 31, 2016**	As at April 1, 2015	For the period Additions	Sale / Adjustment	**As at March 31, 2016**	**As at March 31, 2016**	As at April 1, 2015
Tangible Assets										
Land – Freehold	0.23	Nil	Nil	**0.23**	Nil	Nil	Nil	**Nil**	**0.23**	0.23
– Leasehold	3.14	Nil	Nil	**3.14**	0.04	Nil	Nil	**0.04**	**3.10**	3.10
Buildings (Including Leashold)	90.79	1.63	Nil	**92.42**	14.52	1.77	Nil	**16.29**	**76.13**	76.27
Plant and Equipments	428.49	Nil	(0.07)	**428.42**	317.91	69.34	(0.03)	**387.22**	**41.20**	110.58
Furniture and Fixtures	19.07	Nil	(0.63)	**18.44**	14.97	0.97	(0.63)	**15.31**	**3.13**	4.10
Office Equipments	13.69	0.01	(0.16)	**13.54**	10.75	0.87	(0.16)	**11.46**	**2.08**	2.94
Computers	17.36	0.29	(0.95)	**16.70**	17.14	0.22	(0.86)	**16.50**	**0.20**	0.22
Networking Assets	315.88	0.09	(5.10)	**310.87**	280.22	23.12	(5.09)	**298.25**	**12.62**	35.66
Test and Repair Equipments	28.96	0.02	(0.14)	**28.84**	23.29	1.86	(0.14)	**25.01**	**3.83**	5.67
Vehicles	1.26	0.11	(0.13)	**1.24**	0.95	0.07	(0.08)	**0.94**	**0.30**	0.31
Total	918.87	2.15	(7.18)	**913.84**	679.79	98.22	(6.99)	**771.02**	**142.82**	239.08
Intangible Assets										
Networking Software	42.07	0.01	Nil	**42.08**	41.00	0.28	Nil	**41.28**	**0.80**	1.07
Other than Networking Software	72.75	Nil	(0.01)	**72.74**	72.75	Nil	(0.01)	**72.74**	**Nil**	Nil
Total	114.82	0.01	(0.01)	**114.82**	113.75	0.28	(0.01)	**114.02**	**0.80**	1.07
SUB TOTAL (A + B)	1,033.69	2.16	(7.19)	**1,028.66**	793.54	98.50	(7.00)	**885.04**	**143.62**	240.15
Capital work in progress	0.59	1.27	(1.63)	**0.23**	Nil	Nil	Nil	**Nil**	**0.23**	0.59
Total	1,034.28	3.43	(8.82)	**1,028.89**	793.54	98.50	(7.00)	**885.04**	**143.85**	240.74
Total (Previous Year)	1,075.61	25.05	(66.37)	**1,034.28**	671.33	126.22	(4.01)	**793.54**	**240.74**	404.28

1. Gross block of building includes subscription towards share capital of co–operative societies amounting to ₹ 2,750/– and leased buildings amounting to ₹ 92.42 Crore.
2. Depreciation includes ₹ 0.02 Crore (Previous Year ₹ 2.50 Crore) for discontinued operations.
3. In accordance with the Accounting Standard (AS 28) on “Impairment of Assets” the Management during the year, carried out an exercise of identifying assets that may have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the year ended March 31, 2016

FIXED ASSETS (PREVIOUS YEAR)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2014	For the period Additions	Sale / Adjustment	**As at March 31, 2015**	As at April 1, 2014	For the period Additions	Sale / Adjustment	**As at March 31, 2015**	**As at March 31, 2015**	As at March 31, 2014
Tangible Assets										
Land – Freehold	0.23	Nil	Nil	**0.23**	Nil	Nil	Nil	**Nil**	**0.23**	0.23
– Leasehold	3.14	Nil	Nil	**3.14**	0.04	Nil	Nil	**0.04**	**3.10**	3.10
Buildings (Including Leasehold)	90.15	0.79	(0.15)	**90.79**	12.90	1.64	(0.02)	**14.52**	**76.27**	77.25
Plant and Equipments	450.27	6.04	(27.82)	**428.49**	245.16	75.65	(2.90)	**317.91**	**110.58**	205.11
Furniture and Fixtures	19.26	0.47	(0.66)	**19.07**	14.10	1.20	(0.33)	**14.97**	**4.10**	5.16
Office Equipments	13.31	0.45	(0.07)	**13.69**	9.95	0.85	(0.05)	**10.75**	**2.94**	3.36
Computers	17.20	0.62	(0.46)	**17.36**	16.47	1.12	(0.45)	**17.14**	**0.22**	0.73
Networking Assets	314.26	1.62	Nil	**315.88**	248.89	31.33	Nil	**280.22**	**35.66**	65.37
Test and Repair Equipments	29.16	0.18	(0.38)	**28.96**	20.61	2.94	(0.26)	**23.29**	**5.67**	8.55
Vehicles	0.97	0.29	Nil	**1.26**	0.89	0.06	Nil	**0.95**	**0.31**	0.08
Total	937.95	10.46	(29.54)	**918.87**	569.01	114.79	(4.01)	**679.79**	**239.08**	368.94
Intangible Assets										
Networking Software	41.96	0.11	Nil	**42.07**	37.87	3.13	Nil	**41.00**	**1.07**	4.09
Other than Networking Software	72.75	Nil	Nil	**72.75**	64.45	8.30	Nil	**72.75**	**Nil**	8.30
Total	114.71	0.11	Nil	**114.82**	102.32	11.43	Nil	**113.75**	**1.07**	12.39
Capital work–in–progress	22.95	14.48	(36.83)	**0.59**	Nil	Nil	Nil	**Nil**	**0.59**	22.95
Total	1,075.61	25.05	(66.37)	**1,034.28**	671.33	126.22	(4.01)	**793.54**	**240.74**	404.28
Total (Previous Year)	1,050.21	56.99	(31.60)	**1,075.61**	560.62	110.95	(0.24)	**671.33**	**404.28**	489.59

1. Gross block of building includes subscription towards share capital of co–operative societies amounting to ₹ 2,750/– (Previous Year ₹ 2,750/–) and leased buildings amounting to ₹ 90.80 Crore (Previous Year ₹ 90.06 Crore).
2. Intangible assets includes internally generated software of ₹ 7.27 Crore (Previous Year ₹ 7.27 Crore)
3. Following amounts are included in "Sale & Adjustment column" in gross block and depreciation relating to Plant and Equipment:
   i) Capital Subsidy of ₹ Nil (Previous Year ₹ 7.63 Crore) and write back of depreciation of ₹ Nil (Previous Year ₹ 1.64 Crore) thereon.
   ii) Cost of assets relating to distribution franchisee (DF) activity of ₹ 27.55 Crore handed over to MSEDCL on termination of DF agreement during the year and depreciation of ₹ 2.80 Crore thereon
4. Following amounts are included in "Sale & Adjustment column" in CWIP
   i) Cost of assets relating to distribution franchisee (DF) activity of ₹ 20.77 Crore handed over to MSEDCL on termination of DF agreement during the year.
   ii) Assets of ₹ 8.55 Crore (Previous Year ₹ NIL) written off during the year
5. Consequent to the enactment of the Companies Act, 2013 (the Act) applicable from April 01, 2014, the Company has reassessed the remaining useful life of fixed assets as per Schedule II to the Act. This has resulted in additional charge of depreciation of 26.54 Crore for year ended March 31, 2015.
6. Depreciation includes ₹ 1.90 Crore (Previous Year ₹ 0.60 Crore) for discontinued operations.
7. In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the year carried out an exercise of identifying assets that may have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the year ended March 31, 2015.

2.11 NON–CURRENT INVESTMENT

Particulars	Numbers	As at March 31, 2016	As at March 31, 2015
Trade			
Quoted			
Equity Shares of			
Associates			
GTL Infrastructure Ltd. (Face Value of ₹ 10/– each)	345,763,466 (345,763,466)	**591.55**	591.55
Total of Quoted Investments in Equity Shares – Trade	**(A)**	**591.55**	591.55
Un – quoted			
Equity Shares of			
Subsidiaries			
International Global Tele–Systems Ltd. (Face Value of US $ 1/– each)	2,762,615 (2,762,615)	**9.59**	9.59
GTL International Ltd (Face Value of US $ 1/– each)	3,000,000 (3,000,000)	**11.96**	11.96
Less: Diminution in value of Investment (refer note No. 2.11.3)		**(21.55)**	NIL
		NIL	21.55
Ada Cellworks Wireless Engineering Pvt. Ltd. (Face Value of ₹ 10/– each)	90,000 (90,000)	**13.46**	13.46
Less: Diminution in value of Investment (refer note No. 2.11.3)		**(11.82)**	NIL
		1.64	13.46
Sub Total of Equity Shares of Subsidiaries		**1.64**	35.01
Associates			
Global Rural Netco Ltd. (Face Value of ₹ 10/– each)	75,000,000 (75,000,000)	**75.00**	75.00
Less: Diminution in value of Investment (refer note No. 2.11.3)		**(75.00)**	(45.00)
		NIL	30.00
Chennai Network Infrastructure Ltd. (Face Value of ₹ 10/– each)	1,700,742,399 (1,700,742,399)	**1,637.48**	1,637.48
		1,637.48	1,667.48
Others			
European Projects and Aviation Ltd. (Face Value of ₹ 10/– each)	12,350,000 (12,350,000)	**53.81**	53.81
Less: Diminution in value of Investment (refer note No. 2.11.3)		**(53.81)**	NIL
		NIL	53.81
Total of Un–quoted Investments in Equity Shares – Trade	**(B)**	**1,639.12**	1,756.30

Particulars	Numbers	As at March 31, 2016	As at March 31, 2015
Preference Shares of :			
Subsidiaries			
3. 5 % Preference Shares of GTL International Ltd. (Face Value of US$ 1/– each)	5,000,000 (5,000,000)	**33.07**	31.23
3. 5 % Preference Shares of International Global Tele– Systems Ltd. (Face Value of US$ 1/– each)	69,000,000 (69,000,000)	**456.33**	430.97
Less: Diminution in value of Investment (refer note No. 2.11.3)		**(489.40)**	NIL
Sub Total of Preference Shares of Subsidiaries		**NIL**	462.20
Associates			
6% Cumulative Redeemable Preference Shares of Global Rural Netco Ltd. (Face Value of ₹ 100/– each)	20,000,000 (20,000,000)	**200.00**	200.00
Less: Diminution in value of Investment (refer note No. 2.11.3)		**(200.00)**	NIL
Sub Total of Preference Shares of Associate		**NIL**	200.00
Others			
0.1% Cumulative Preference Shares of Global Proserv Ltd (Face Value of ₹ 100/– each)	13,000,000 (13,000,000)	**130.00**	130.00
Less: Diminution in value of Investment (refer note No. 2.11.3)		**(130.00)**	NIL
		NIL	130.00
0.1% 12 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each)	13,000,000 (13,000,000)	**13.00**	13.00
0.02% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each)	50,250,000 (50,250,000)	**50.25**	50.25
0.1% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹10/– each)	44,246,900 (44,246,900)	**241.48**	241.48
Less: Diminution in value of Investment (refer note No. 2.11.3)		**(304.73)**	NIL
Sub Total of Preference Shares of Other		**NIL**	434.73
Total of Un–quoted Investments in Preference Shares – Trade	**(C)**	**NIL**	1,096.93
Debenture of :			
Associates			
11% Fully Convertible Debenture Series – A Global Rural Netco Ltd. (Face Value of ₹ 100/– each)	15,000,000 (15,000,000)	**150.00**	150.00
Less: Diminution in value of Investment (refer note No. 2.11.3)		**(150.00)**	NIL
Total of Un–quoted Investments in Debentures – Trade	**(D)**	**NIL**	150.00
Total of Un–quoted Investments – Trade	**E= (B+C+D)**	**1,639.12**	3,003.23
Total of Investments – Trade	**F=(A+E)**	**2,230.67**	3,594.78
Total Investments		**2,230.67**	3,594.78

2.11.1 For basis of Valuation Refer Point No. 7 of Note No. 1 "Significant Accounting Policy"

2.11.2 Details of aggregate amount of Quoted Investment, Market value thereof, aggregate amount of Unquoted Investment and provision for diminution:

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Aggregate amount of Quoted Investments	**591.55**	591.55
Market Value of Quoted Investments	**72.61**	67.42
Aggregate amount of Unquoted Investments	**3,075.43**	3,048.23
Provision for Diminution of Investment	**1,436.31**	45.00

2.11.3 The Company holds non–current investments in associates, wholly owned subsidiary companies and other entities operating in telecom and related business field.

The business activities of some of the above companies have been severely affected due to the downtrend in telecom industry, thereby resulting in substantial erosion of net worth of these companies. During the year under review, the management is of the opinion that provision of ₹ 1,391.31 Crore is required towards diminution in value of investment held in its subsidiaries, investment held in one of the associates and other entities. The said amount is shown as and included in "Exceptional Item".

In respect of non–current investments held by the Company in its associates GTL infrastructure Limited and Chennai Network Infrastructure Limited, the carrying values of these investments are more than book values / market values. However, in the opinion of the management, provision for diminution in value of these investments is not required as such diminution is not other than temporary, considering the long term nature of these investments and future business prospects of these companies.

2.12 LONG TERM LOANS AND ADVANCES (Unsecured and considered good, unless otherwise stated)

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Advances to Suppliers (Refer Note No. 2.12.1)	**767.04**	767.04
Less : Provision for doubtful advance to suppliers	**(406.00)**	(136.00)
Advance to Suppliers (Net of Provision)	**361.04**	631.04
Advances to Subsidiaries	**293.12**	277.69
Less : Provision for Advance to Subsidiaries	**(293.12)**	(7.23)
Advance to Subsidiaries (Net of Provision)	**NIL**	270.46
Capital Advances	**0.07**	0.08
Other Advances	**192.79**	192.79
Security Deposits	**7.40**	7.66
Advance Income Tax & Tax Deducted at source (Net of provision)	**13.70**	7.94
Total	**575.00**	**1,109.97**

2.12.1 The Company in the past years had paid advances for procurement of material to execute large telecom projects such as BSNL mega tenders, Aircel and other telecom projects. In view of discontinuation of these projects, the Company was forced to cancel the procurement of material and initiate steps to recover these advances. The Company successfully negotiated with its suppliers and recovered part of the advances. As part of negotiated terms, the Company was required to assist the suppliers for procuring Bank Guarantees / SBLC. The Company was unable to meet this requirement resulting in suppliers raising disputes. Considering the present status of the negotiation with the suppliers, provision of ₹ 270.00 Crore is made during the year towards these advances as a prudent accounting practice.

The Company carries out international business through its wholly owned subsidiaries. The Company in last 15 years supported expansion of international business operations by providing performance and financial guarantees / obligations. The Company's inability to extend support to these subsidiaries in the recent past coupled with down trend in the telecom sector resulted in devolvement of guarantees and incurrence of substantial losses and erosion of net worth of these companies and also the discontinuation of business operations in 16 countries and 38 locations. The Company, on account of the same, as a matter of prudent accounting practice has made during the year a provision of ₹ 285.89 Crore against the amount due from these companies.

The above provisions towards doubtful advances to the suppliers and to subsidiaries are shown as and included in "Exceptional Items".

2.12.2 **DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013**

Details of Investments made are provided in note no. 2.11. The Company has not given any loans except loans to employees.

Details of Corporate Guarantees given by the Company in respect of loans taken by the subsidiaries and Other Body Corporates.

(₹ in Crore)

No.	Name of the Company	**As at March 31, 2016**	As at March 31, 2015
1	Subsidiaries	**165.39**	166.82
2	Other Body Corporate	**425.00**	425.00

2.13 CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Number of units	As at March 31, 2016	As at March 31, 2015
Un–quoted			
Mutual Funds of			
J P Morgan India Liquid Fund – Growth Plan	NIL (899,5603)	NIL	15.73
DSP BlackRock Liquidity Fund – Growth Plan	NIL (26,354)	NIL	5.08
Total		**NIL**	**20.81**

2.13.1 For basis of Valuation Refer Point No. 7 of Note No. 1 "Significant Accounting Policy"

2.13.2 Details of aggregate amount of Quoted Investment, Market value thereof and aggregate amount of Unquoted Investment:

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Aggregate amount of quoted investments	**NIL**	NIL
Market Value of quoted investments	**NIL**	NIL
Aggregate amount of unquoted investments	**NIL**	20.81

2.14 INVENTORIES

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Stock–in–trade held for trading	**NIL**	2.33
Stores and Spares	**NIL**	NIL
Consumables	**NIL**	3.30
Total	**NIL**	**5.63**

2.14.1 For basis of valuation – Refer Point No. 8 of Note No. 1 "Significant Accounting Policies"

2.14.2 Stock–in–trade held for trading of ₹ 2.33 Crore as on commencement of the year pertains to discontinued business activity.

2.15 TRADE RECEIVABLES (Unsecured)

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Trade receivables outstanding for a period exceeding six months (From the due date of the payment)		
Considered good	**111.61**	193.14
Considered doubtful	**157.11**	76.49
Less: Allowance for Doubtful Trade Receivables	**(157.11)**	(76.49)
Subtotal	**111.61**	193.14
Other Trade receivables		
Considered good	**26.87**	31.15
Total	**138.48**	224.29

2.15.1 The Company has sought the balance confirmations from the customers and has received such confirmations from some customers. In respect of remaining customers, balances are subject to confirmation and appropriate adjustment, if necessary, will be considered in the year of reconciliation.

2.16 CASH AND BANK BALANCES

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
1) Cash & Cash Equivalents		
a) Balance with Banks	**66.72**	54.00
b) Cash on Hand	**0.09**	0.07
c) Balance with Banks in unpaid dividend account*	**0.46**	0.59
Sub–Total	**67.27**	54.66
2) Other Bank Balances		
Balances with Bank held as margin money**	**12.29**	18.68
Total	**79.56**	73.34

* These balances are available for settlement of corresponding unpaid dividend liabilities.

**Includes ₹ 0.68 Crore (₹ 0.29 Crore) having maturity after 12 months.

2.17 SHORT TERM LOANS and ADVANCES (Unsecured, Considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Deposits	**13.24**	2.52
Less: Provision for doubtful deposits	**(2.38)**	(2.52)
Deposits (Net of Provision)	**10.86**	NIL
Income Tax refund receivable	**0.48**	0.34
Prepaid Expenses	**0.95**	1.65
Input Tax Recoverable	**18.63**	11.35
Advance to Suppliers	**231.16**	246.08
Less: Provision for doubtful Advance to Suppliers	**(0.66)**	(0.46)
Advance to Suppliers (Net of provision)	**230.50**	245.62
Interest receivable	**46.28**	42.50
Less: Provision against Interest receivable	**(45.90)**	NIL
Interest receivable (Net of provision) *	**0.38**	42.50
Loans and Advances to employees	**0.46**	1.23
Less: Provision for doubtful Loans and Advances to employees	**(0.46)**	(0.79)
Loans & Advances to employees (Net of Provision)	**NIL**	0.44
Others **	**247.02**	111.97
Total	**508.82**	413.87

* Includes ₹ 26.54 Crore (Previous Year ₹ 22.42 Crore) receivable from related party.

** Includes amount of ₹ 243.90 Crore (previous year ₹ 108.40) receivable from European Projects and Aviation Ltd. (EPAL) which was required to be paid to Bankers of EPAL under Sponsor agreement / performance guarantee in connection with credit facilities provided to EPAL.

2.18 OTHER CURRENT ASSETS

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Unbilled Revenue	**49.30**	52.63
Receivable towards reimbursable cost / expense	**12.30**	10.94
Less: Provision for Receivable towards reimbursable of cost/ expenses	**(10.73)**	(1.17)
Receivable towards reimbursable cost / expense (Net of Provision)	**1.57**	9.77
Claims receivables – DF (Net) (refer note 2.18.1 & 2.18.2)	**43.83**	254.59
Total	**94.70**	316.99

2.18.1 During the previous year Distribution Franchise (DF) agreement between the Company and MSEDCL got terminated. The reconciliation and settlement of several claims of the Company and MSEDCL are under process. The Assets relating to DF activity comprising of Plant and Equipment s, Trade Receivables, Inventory and unbilled amount to Consumers on the date of termination on distribution Franchise agreement will be adjusted against the amount due to MSECDL.

2.18.2 “Claims Receivable–DF” of ₹ 43.83 Crore is after adjustment of Trade Payables liability to MSEDCL of ₹ 210.76 Crore.

2.19 The “Operation Maintenance and Energy Management” (OME) activity (the part of Network Services) which was being considered as discontinuing operation since the quarter ended September 2015 till quarter ended December 31, 2015. The definitive agreement for the sale of said activity has lapsed during the last quarter of the financial year. Accordingly the continuing operation for the year is inclusive of the said activity.

2.20 REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
Sale of Products	40.97	140.34
Revenue from Services	153.82	136.94
Revenue from Energy Management Business	1,045.57	1077.06
Other Operating Revenues	NIL	0.05
Total	**1,240.36**	1,354.39

2.21 OTHER INCOME

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
Interest Income :		
from Bank Deposits	**0.98**	2.95
from Others	**4.50**	22.10
Profit on sale of Current Investments (Net)	**2.99**	7.54
Profit on sale of Fixed Assets (Net)	**0.23**	0.57
Gain on Foreign Currency Transactions (Net)	**23.50**	26.62
Lease and Rent Income	**2.73**	2.75
Other Non–Operating Income *	**6.00**	19.54
Total	**40.93**	82.07

* Other Non–Operating Income includes liabilities no longer payable written back of ₹ 3.55 Crore (Previous Year ₹ 17.41 Crore)

2.22 COST OF PURCHASES / SERVICES

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
Purchase of Stock in Trade	**38.28**	132.55
Purchase of Material (Other than for trade) and Services :		
Electricity, Diesel cost for Energy Management	**527.17**	892.20
Sub–Contractor Charges	**379.90**	26.53
Vehicle Hire Charges – Projects	**4.95**	3.47
Total of Purchase of Material (Other than for trade) and Services	**912.02**	922.20
Total	**950.30**	1,054.75

2.23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK–IN–PROGRESS AND STOCK–IN–TRADE

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
Inventories (at close)		
Work in Process	**NIL**	NIL
Stock in Trade*	**NIL**	NIL
Spares and Consumables	**NIL**	3.30
	NIL	3.30
Inventories (at commencement)		
Work in Process	**NIL**	NIL
Stock in Trade*	**NIL**	NIL
Spares and Consumables	**3.30**	7.55
	3.30	7.55
Decrease in Inventory	**3.30**	4.25

*Since the inventory of "Stock in Trade" pertains to discontinued business activity, the increase / decrease therein is not considered in the above note.

2.24 EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
Salaries	**47.12**	59.67
Contribution to Provident and Other Funds	**3.24**	4.98
Staff Welfare Expenses	**2.83**	2.79
Outsourced Manpower Cost	**79.92**	76.21
Total	**133.11**	143.65

2.24.1 Salaries and allowances include remuneration to whole time director, appointed during the previous year, of ₹ 0.15 Crore (Previous year ₹ 0.04 Crore) which is subject to the approval of Central Government.

2.24.2 Disclosure of Employee Benefits as defined in Accounting Standard 15 “Employee Benefit”:

a) Defined Contribution Plan

(₹ in Crore)

Particulars	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Employer’s Contribution to Provident fund	**1.50**	2.28
Employer’s Contribution to Pension fund	**0.59**	0.70
Total	**2.09**	2.98

b) Defined Benefit Plan

The employee’s Gratuity Fund Scheme, which is defined benefit plan, is managed by 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 recognizes 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 recognized in same manner as gratuity.

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

(₹ in Crore)

Particulars		Gratuity (Funded)		Compensated Absences (Unfunded)	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Defined Benefit Obligation at beginning of the period	(A)	**5.69**	6.52	**1.45**	1.99
Current/past Service Cost	(B)	**0.49**	0.75	**0.12**	0.36
Current Interest Cost	(C)	**0.45**	0.61	**0.12**	0.19
Actuarial (gain) / loss	(D)	**0.01**	1.14	**0.11**	0.09
Less : Benefits paid	(E)	**1.94**	3.33	**0.64**	1.18
Defined Benefit Obligation at end of the period (A+B+C+D–E)		**4.70**	5.69	**1.16**	1.45

ii) Reconciliation of opening and closing balances of fair value of the plan assets

(₹ in Crore)

Particulars		Gratuity (Funded)	
		As at March 31, 2016	As at March 31, 2015
Fair Value of Plan asset at beginning of period	(A)	**5.20**	6.51
Expected Return on Plan Assets	(B)	**0.42**	0.61
Actuarial gain/ (loss)	(C)	**(0.04)**	(0.07)
Contributions	(D)	**1.11**	1.50
Less : Benefits paid	(E)	**1.94**	3.35
Fair Value of Plan asset at the end of period (A+B+C+D–E)		**4.75**	5.20

iii) Reconciliation of present value of obligations and fair value of plan assets

(₹ in Crore)

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Fair Value of Plan asset at the end of Year	**4.75**	5.20	**NIL**	NIL
Present value of Defined Benefit Obligation at end of the Year	**4.70**	5.69	**1.16**	1.45
Liability/ (Asset) recognized in the Balance Sheet	**(0.05)**	0.49	**1.16**	1.45

iv) Expense recognized during the year

(₹ in Crore)

		Gratuity (Funded)		Compensated Absences (Unfunded)	
		For the Year ended on March 31, 2016	For the Year ended on March 31, 2015	**For the Year ended on March 31, 2016**	For the Year ended on March 31, 2015
Current Service Cost	(A)	**0.49**	0.75	**0.12**	0.36
Interest Cost*	(B)	**0.45**	0.00	**0.12**	0.19
Expected Return on plan Assets	(C)	**(0.42)**	NIL	**NIL**	NIL
Actuarial (gain)/ loss	(D)	**0.05**	1.21	**0.11**	0.09
Net Cost recognized in Profit and Loss Account (A+B+C+D)		**0.57**	1.96	**0.35**	0.64

* Refer Note no. 2.41 for rounding off

v) Amounts for current and previous four years are as follows:

(₹ In Crore)

Gratuity (Funded)	**2015–16**	2014–15	2013–14	2012–13	2011–12
Defined Benefit Obligation	**4.70**	5.69	6.53	6.64	6.77
Plan Assets	**4.75**	5.20	6.51	3.96	2.05
Surplus / (Deficit)	**0.05**	(0.49)	(0.02)	(2.68)	(4.72)
Experience adjustments on plan assets	**(0.04)**	(0.07)	0.07	0.06	(0.34)
Experience adjustments on plan liabilities	**0.03**	1.21	0.10	(0.41)	1.09

vi) Amounts for current and previous four years are as follows

(₹ in Crore)

Compensated Absences (Unfunded)	**2015–16**	2014–15	2013–14	2012–13	2011–12
Defined Benefit Obligations	**1.16**	1.45	1.99	1.93	2.59
Plan Assets	**NIL**	NIL	NIL	NIL	NIL
Surplus / (Deficit)	**(1.16)**	(1.45)	(1.99)	(1.93)	(2.59)
Experience Adjustment on Plan Assets (Gain) / Loss	**NIL**	NIL	NIL	NIL	NIL
Experience Adjustment on Plan Liabilities (Gain) / Loss	**0.12**	0.06	0.47	(0.01)	1.14

vii) Assumptions used to determine defined benefit obligation

(₹ in Crore)

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Discount Rate (p.a.)	**8.04%**	9.31%	**8.04%**	9.31%
Estimated rate of return on plan assets (p.a.)	**8.04%**	9.31%	**NIL**	NIL
Expected rate of increase in salary (p.a.)	**5.50%**	5.50%	**5.50%**	5.50%

Mortality rate is as per Indian Assured Lives Mortality (2006–08) Ultimate table.

The expected rate of increase in salary for actuarial valuation is based on consideration of inflation, seniority, promotion, attrition and other relevant factors including supply and demand in the employment market. The above information is as per the certificate obtained from Actuary.

2.25 FINANCE COSTS

(₹ in Crore)

Particulars	**For the Year ended on March 31, 2016**	For the Year ended on March 31, 2015
Interest on Borrowings	502.06	468.09
Less: Waiver of Interest	NIL	(37.27)
Other Borrowing costs	3.03	5.55
Exchange difference to the extent considered as an adjustment to Borrowing Cost as per Accounting Standard (AS–16) – Borrowing Cost	26.59	28.19
Total	**531.68**	464.56

2.26 OTHER EXPENSES

(₹ in Crore)

Particulars	**For the Year ended on March 31, 2016**	For the Year ended on March 31, 2015
Consumption of Stores and Spares (Refer Note No. 2.26.1)	NIL	0.01
Communication Expenses	1.84	1.64
Advertisement Expenses	0.09	3.22
Business Promotion Expenses	0.56	0.12
Freight Charges	0.01	0.00
Rates and Taxes (including Wealth tax)	0.76	1.53
Rent	3.72	4.05
Electricity Charges	2.21	1.86
Insurance	1.38	0.47
Legal and Professional Fees	5.82	5.15
Travelling and Conveyance Expenses	3.52	4.68
Director's Sitting Fees	0.27	0.04
Auditor's Remuneration (Refer note no.2.26.2)	0.42	0.38
Repairs and Maintenance – Buildings	NIL	0.06
Repairs and Maintenance – Plant and Machinery	NIL	0.01
Repairs and Maintenance – Others	2.25	2.42
Bad Debts Written off	NIL	14.98
Provision Written back	(0.33)	(8.53)
		6.45
Provision for Doubtful Trade Receivables	80.05	43.28
Provision for Doubtful Receivables – Others	45.76	0.74
Other Expenses	36.54	21.68
Total	**184.87**	**97.79**

2.26.1 Details of Consumption of Stores and Spares

Particulars	For the Year ended on March 31, 2016		For the Year ended on March 31, 2015	
	₹ in Crore	₹ in Crore	₹ in Crore	%
Indigenous Goods	NIL	NIL	0.01	NIL
Imported Goods	NIL	NIL	NIL	NIL

2.26.2 Auditor's Remuneration

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015(*)
Statutory Audit Fees	0.30	0.30
Tax Audit Fees	0.06	0.06
Vat Audit Fees	0.03	0.03
Other Matters	0.01	0.01
Out Of Pocket Expenses	0.02	0.02
Total	**0.42**	**0.42**

(*)Includes an amount of ₹ 0.04 Crore allocated to "Discontinued Business Operations"

2.27 EXCEPTIONAL ITEMS

(₹ in Crore)

Particulars		For the Year ended on March 31, 2016		For the Year ended on March 31, 2015
Claim received from Aircel	NIL		345.00	
Less: Vendor Claims paid	NIL		(245.71)	
Net Claim		NIL		99.29
Remission of Principal Liability of ECB		NIL		42.49

(₹ in Crore)

Particulars		For the Year ended on March 31, 2016		For the Year ended on March 31, 2015
Provision for :				
Doubtful advances to suppliers	(555.91)		(136.00)	
Diminution in value of Investment	(1,391.34)		(45.00)	
Sub Total		**(1,947.25)**		(181.00)
Total		**(1,947.25)**		**(39.22)**

2.28 TAX EXPENSE

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
Current Income Tax	**NIL**	NIL
Deferred taxes (refer note no. 2.30)	**NIL**	NIL
Total	**NIL**	NIL

2.29 Discontinued Operations:

The Company discontinued its Power EPC Business and Power Distribution Business, part of Power Management Segment during the current year and previous year respectively. With this discontinuation, the Power Management segment stands discontinued.

Pending reconciliation / settlement with MSEDCL and related dispute, following are the disclosures pertaining to Power Management Business as required by Accounting Standard (AS) 24 – Discontinuing Operations.

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016			For the Year ended on March 31, 2015		
	Continuing Operations	Discontinued operations	Total	Continuing Operations	Discontinued operations	Total
Revenue from operations	1,240.36	1.29	1,241.65	1,354.39	715.02	2,069.41
Less: Excise Duty	NIL	NIL	NIL	NIL	NIL	NIL
	1,240.36	1.29	1,241.65	1,354.39	715.02	2,069.41
Other Income	40.93	0.29	41.22	82.07	0.48	82.55
Total Revenue	1,281.29	1.58	1,282.87	1,436.46	715.50	2,151.96
Expenses:						
Cost of Purchases/Services	950.30	0.22	950.52	1,054.75	817.99	1,872.74
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	3.30	2.33	5.63	4.25	(1.18)	3.07
Employee benefits expenses	133.11	0.33	133.44	143.65	28.90	172.55
Finance Costs	531.68	0.49	532.17	464.56	3.68	468.24
Depreciation and amortization expense	98.48	0.02	98.50	123.72	2.50	126.22
Other expenses	184.87	18.15	203.02	97.79	59.93	157.72
Total Expenses	1,901.74	21.54	1,923.28	1,888.72	911.82	2,800.54
Loss before exceptional and extraordinary items and tax	(620.45)	(19.96)	(640.41)	(452.26)	(196.32)	(648.58)
Exceptional Items	(1,947.25)	(19.78)	(1,967.03)	(39.22)	(113.49)	(152.71)
Loss before tax	(2,567.70)	(39.74)	(2,607.44)	(491.48)	(309.81)	(801.29)
Tax expense:						
Current tax	NIL	NIL	NIL	NIL	NIL	NIL
Deferred tax	NIL	NIL	NIL	NIL	NIL	NIL
Loss from the year after Tax	(2,567.70)	(39.74)	(2,607.44)	(491.48)	(309.81)	(801.29)

As at March 31, 2016, the carrying amount of assets and liabilities pertaining to discontinued operations is ₹ 305.78 Crore (Previous year ₹ 313.50 Crore) and ₹ 225.48 Crore (Previous year ₹ 223.58 Crore) respectively.

The net cash flows attributable to the discontinued operations are stated below :

Particulars	As at March 31, 2016	As at March 31, 2015
Operating Activity	(29.73)	(110.05)
Investing Activity	0.11	(15.52)

2.30 DEFERRED TAX ASSETS – COMPOSITION

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Relating to		
a) Fixed Assets	**(20.76)**	(5.03)
b) Expenses where deduction is available on payment basis	**(791.06)**	(101.37)
c) Unabsorbed Depreciation	**(136.12)**	(132.81)
Total Net	**(947.94)**	(239.21)

2.30.1 The Company has a Deferred Tax Asset of ₹ 947.94 Crore as on March 31, 2016 (₹ 239.21 Crore as on March 31, 2015). In the absence of reasonable certainty of sufficient future taxable income against which Deferred Tax Asset can be realized, the same is not recognised in accordance with AS 22 on Accounting for Taxes on Income issued by ICAI.

2.31 CONTINGENT LIABILITIES:

2.31.1 Contingent Liabilities

(₹ in Crore)

Sr. No	Particulars	As at March 31, 2016	As at March 31, 2015
i	Claims against the Company not acknowledged as debts*	**321.63**	321.43
ii	Put option by IFCI on optionally convertible loan of GRNL (including interest accrued thereon of ₹ 51.04 Crore (₹ 37.54 Crore))**	**151.04**	137.54
iii	Guarantees given by Banks on behalf of the Company	**44.74**	64.61
iv	Performance Guarantees issued to banks on behalf of Subsidiaries / Associates and Affiliates	**5.00**	5.00
v	Corporate Guarantees given by the Company for loans taken by subsidiaries / others	**590.39**	581.20
vi	Disputed Sales tax liabilities for which appeals are pending (Net of amount deposited ₹ 1.99 Crore (₹ 0.91 Crore)	**9.65**	11.31
vii	Dividend on 0.01% Non–Participative Optionally Convertible Cumulative Preference Share	**0.23**	0.16
Future cash outflows in respect of the above matters are determinable only on receipt of judgments or decisions pending at various forum.			

*As on March 31, 2016, there were 32 cases against the Company, pending in various Courts and other Dispute Redressal Forums.

In 10 out of 32 cases, the Company has been implicated as proforma defendant i.e. there is no monetary claim against the Company. In most of these cases dispute is concerning the matters like loss of share certificate, title claim / ownership / transfer of the shares etc. The Company's implication in these matters is with a view to protect the interest of the lawful owners of the shares. Upon the final orders passed by the Court(s), the Company shall have to release the shares, which are presently under 'stop transfer', in this regard to the rightful claimants. There is no direct liability or adverse impact on the business of the Company on account of the said 10 cases.

Out of the balance 22 cases, 14 cases are from its earlier power business and 7 cases are from telecom related businesses which are handled by the Company's Advocates, who have the necessary expertise on the subject. It is found that in most of the cases the claims are frivolous, highly exaggerated and without any basis and therefore the Company is resisting and defending these claims. The contingent liability of these 21 cases is ₹ 1.18 Crore (excludes amount of ₹ 1.18 Crore involved in one of the cases which is included in bank guarantees given by banks at serial no. iii above)

Holder of NCD issued by the company has filed winding up petition against the Company before Hon'ble High Court of Bombay on January 22, 2015 inter– alia claiming recovery of dues of ₹ 1,858.46 Crore. Contingent Liability of ₹ 98.09 Crore represents difference between amount claimed by NCD holders and amount accounted by the Company in the books as on 30th Spetember,2014 of ₹ 1,760.37 Crore based on the amended terms on 22nd March,2014. Presently the matter is sub–judice.

** The put option given by the Company in respect of Optionally Convertible Loan (OCL) of ₹ 100.00 Crore raised by Global Rural Netco Ltd one of its associates from a Financial Institution has been exercised by the said Institution. It has also filed winding up petition against the Company & Company's associate which is yet to be admitted. The Company's associate has approached the said financial institution to work out possible solutions. The Company, as per the terms and conditions of Master Restructuring Agreement (MRA), has not received prior approval of CDR Lenders / CDR EG for accepting liability under put option. The Company, therefore, continues to treat liability under put option as a "Contingent Liability"

2.32 Commitments:

2.32.1 Commitments

2.32.1.1 Estimated amount of contracts remaining to be executed

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) (Cash out flow is expected on execution of such contracts on progressive basis.)	**NIL**	1.24

2.32.1.2 Other Commitments

a) GTL Infrastructure Ltd (GIL) is an associate of the Company. The Company's equity shareholding in GIL as at Balance Sheet date is 14.80% (14.87%). As a promoter of GIL, the Company has furnished following undertakings in respect of credit facilities of ₹ 2,004.45 Crore (₹ 2,004.45 Crore) then sanctioned by various lending institutions for GIL's second phase project of setting up of telecom sites.

i. The Company along with Global Holding Corporation Private Limited (GHC), an associate, shall not reduce the shareholding in GIL below 26%. The Company shall retain the management control of GIL.

ii. The Company shall bring or arrange Equity/ Preference Capital as envisaged by Phase II lenders.

iii. In case of cost overrun or shortfall, the Company shall bring and / or arrange additional capital within a period of 90 days from written demand by Creditor's Agent either in form of Equity or preference or subordinated loans.

iv. The Company shall ensure that GIL will not abandon the Project during the currency of Phase II loans.

v. The Company shall ensure that GIL is provided with requisite technical, financial and managerial expertise to perform / discharge its obligation under the project.

b) The Company's equity shareholding in European Projects and Aviation Limited (EPAL) [Formerly known as Global Projects and Aviation Private Limited (GPAL)] as at Balance Sheet date is 19% (19%). EPAL has been sanctioned Working capital line of credit of ₹ 500 Crore and the current outstanding amount is ₹ 86.30 Crore. The Company has furnished various undertakings for the above referred line of credit which inter alia provide as under:

i) The Company, along with its associate Global Holding Corporation Private Limited (GHC), shall not reduce the shareholding in EPAL below 51%. The Company shall retain the management control of EPAL during the tenor of credit facilities.

ii) The Company, along with its associate GHC, shall ensure conversion of Redeemable Preference Shares issued by EPAL in to Equity Shares or compulsorily convertible instrument or shall ensure that the same shall be redeemed out of infusion of fresh equity or compulsorily convertible instrument by the Sponsors.

iii) The Company shall contribute towards the shortfall in the funds required by EPAL to complete the projects as defined in terms and conditions of credit facilities.

c) Chennai Network Infrastructure Limited (CNIL) is an associate of the Company. The Company's equity shareholding as at March 31, 2016 is 25.79% (25.79%). As sponsors to CNIL, the Company along with its associates Global Holding Corporation Private Limited and GTL Infrastructure Limited have agreed to hold and maintain at least 26% and to further contribute in the form of equity in future, if required to meet needs of CNIL and to replenish Debt Service Account Letter of Credit (DSRA LC), in the event DSRA LC is invoked by the lenders.

d) The CDR lenders of the Company have right to re–compense in respect of relief extended and sacrifices made by them of ₹ 555.87 Crore as per Master Restructuring Agreement (MRA). Such right is exercisable by CDR lenders based on criteria's/ conditions as detailed in MRA.

2.33 RELATED PARTY DISCLOSURES

A Related Parties

I Subsidiaries

a) International Global Tele Systems Ltd.

b) GTL International Ltd.

c) Ada Cellworks Wireless Engineering Pvt. Ltd.

II Fellow Subsidiaries (Subsidiaries of GTL International Ltd.)

a) GTL (Singapore) Pte Ltd.

b) GTL Saudi Arabia Company Limited.

c) GTL Overseas Middle East JLT

d) Pt. GTL Indonesia Limited.

e) GTL Europe Limited.

f) GTL Network Services Malaysia Sdn Bhd.

g) IGTL Network Services Philippines Inc.

h) GTL China Corporation Ltd.

i) GTL Taiwan Co. Ltd.

j) GTL International Lanka (Private) Limited.

k) GTL International Bangladesh Pvt. Ltd.

l) GTL Kenya Limited.

m) GTL Tanzania Limited.

n) GTL Nepal Limited.

o) IGTL Myanmar Limited

III Associates

a) GTL Infrastructure Limited

b) Global Rural Netco Pvt. Ltd.

c) Chennai Network Infrastructure Ltd.

d) Global Holding Corporation Private Limited

IV Key Managerial Personnel

a) Mr. Manoj Tirodkar, Chairman and Managing Director

b) Mr. Sunil S. Valavalkar – Whole Time Director

c) Mr. Vidyadhar Apte, Company Secretary

d) Mr. Milind Bapat, Chief Financial Officer

2.33 RELATED PARTY DISCLOSURES – TRANSACTIONS WITH RELATED PARTY

₹ in Crore

Sr. no.	Party Name	Transaction during the year April2015 to March 2016									Closing Balance as on 31–Mar–2016						
		Sales & Services	Reimbursement Expenses from	Reimbursement Expenses to	Interest Income	Rent received	Purchase of Fixed Assets	Sale of Fixed Assets	Salaries and Allowances	Contribution to Providend and Other Funds	Deposit Received	Receivable towards Bank claim paid by the Company	Receivables	Receivables towards Reimbursable cost / expense	Advance received / Accrued Receivables	Provision towards EB	Payables (incl. Advance received)
1	Subsidiaries																
1a	International Global Tele Systems Limited	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	225.93	NIL	4.90	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(213.40)	(NIL)	(4.63)	(NIL)	(NIL)	(NIL)
1b	GTL International Ltd.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	56.65	15.94	NIL	NIL	NIL	5.08
		(NIL)	(0.74)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(53.94)	(15.07)	(0.05)	(NIL)	(NIL)	(4.79)
1c	Ada Cellworks Wireless Engineering Pvt. Ltd.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	NIL	NIL	NIL	NIL	0.08
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.16)
	TOTAL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	282.58	15.94	4.90	NIL	NIL	5.16
2	Fellow subsidaries (Subsidaries of GTL International Ltd.)																
2a	GTL (Singapore) Pte Ltd	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(0.00)	(0.02)	(NIL)	(NIL)	(NIL)
2b	GTL Saudi Arabia Company Limited	NIL	0.02	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	2.14	0.10	NIL	NIL	NIL
		(NIL)	(0.03)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(2.02)	(0.07)	(NIL)	(NIL)	(NIL)
2c	GTL Overseas M.E. FZ LLC	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2d	GTL Overseas Middle East JLT.	NIL	0.02	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	NIL	0.41	NIL	NIL	NIL
		(NIL)	(0.10)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(NIL)	(0.36)	(NIL)	(NIL)	(NIL)
2e	GTL International Nigeria Limited	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	0.05	0.01	NIL	NIL	NIL
		(NIL)	(0.00)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(0.04)	(0.01)	(NIL)	(NIL)	(NIL)
2f	Pt. GTL Indonesia Ltd.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	0.09	0.04	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(0.06)	(0.04)	(NIL)	(NIL)	(NIL)
2g	GTL Europe Limited (formerly Genesis Consultancy Limited)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	NIL	0.04	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(NIL)	(0.04)	(NIL)	(NIL)	(NIL)
2h	GTL Solutions (UK) Limited	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2i	GTL International Lanka (Private) Limited	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	0.02	0.21	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(0.01)	(0.15)	(NIL)	(NIL)	(NIL)
2j	GTL Network Services Malaysia SDN BHD	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	0.04	0.35	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(0.03)	(0.27)	(NIL)	(NIL)	(NIL)
2k	GTL Kenya Limited	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	1.38	0.30	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(0.97)	(0.21)	(NIL)	(NIL)	(NIL)
2l	GTL USA Inc.	NIL	0.03	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	1.42	0.25	NIL	NIL	NIL
		(0.02)	(0.49)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(1.54)	(0.21)	(NIL)	(NIL)	(NIL)
2m	GTL Vietnam Co. Ltd.	NIL	0.00	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	NIL	0.00	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(0.00)	(NIL)	(NIL)	(NIL)	(NIL)

2.33 RELATED PARTY DISCLOSURES – TRANSACTIONS WITH RELATED PARTY

₹ in Crore

Sr. no.	Party Name	Transaction during the year April2015 to March 2016									Closing Balance as on 31–Mar–2016						
		Sales & Services	Reimbursement Expenses from	Reimbursement Expenses to	Interest Income	Rent received	Purchase of Fixed Assets	Sale of Fixed Assets	Salaries and Allowances	Contribution to Providend and Other Funds	Deposit Received	Receivable towards Bank claim paid by the Company	Receivables	Receivables towards Reimbursable cost / expense	Advance received / Accrued Receivables	Provision towards EB	Payables (incl. Advance received)
2n	GTL International Bangladesh Pvt. Ltd.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	3.31	0.21	0.19	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(3.12)	(0.14)	(NIL)	(NIL)	(NIL)	(NIL)
2o	GTL Nepal Ltd.	0.22	NIL	0.00	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	4.25	0.06	NIL	NIL	NIL
		(0.87)	(NIL)	(0.00)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(4.00)	(0.06)	(NIL)	(NIL)	(NIL)
2p	IGTL Network Services Phillipines INC	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	0.00	0.03	NIL	NIL	NIL
		(NIL)	(0.00)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(0.00)	(0.03)	(NIL)	(NIL)	(NIL)
2q	GTL Tanzania Limited	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	0.25	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(0.17)	(NIL)	(NIL)	(NIL)	(NIL)
2r	GTLNetwork Services SA (Pvt) Ltd	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(0.04)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(0.04)	(0.01)	(NIL)	(NIL)	(NIL)
2s	iGTL Myanmar Limited	NIL	0.02	NIL	NIL	NIL	NIL	NIL	NA	NA	NIL	NIL	NIL	0.02	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
	TOTAL	0.22	0.09	0.00	NIL	NIL	NIL	NIL	NA	NA	NIL	3.31	9.85	2.01	NIL	NIL	NIL
3	Associates																
3a	GTL Infrastructure Limited	352.11	2.40	115.50	NIL	2.51	0.10	0.12	NA	NA	2.16	NIL	19.57	1.72	27.25	1.32	3.81
		(354.69)	(0.72)	(152.64)	(NIL)	(2.54)	(NIL)	(0.14)	(NA)	(NA)	(2.16)	(NIL)	(7.63)	(1.07)	(28.13)	(14.08)	(0.37)
3b	Global Rural Netco Pvt. Ltd.	NIL	0.15	0.85	4.11	0.20	NIL	0.00	NA	NA	NIL	NIL	5.13	2.20	NIL	NIL	NIL
		(0.16)	(0.32)	(1.62)	(16.50)	(0.19)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(5.13)	(2.11)	(22.42)	(NIL)	(NIL)
3c	Chennai Network Infrastructure Ltd.	289.15	0.09	183.94	NIL	0.01	NIL	NIL	NA	NA	NIL	NIL	8.26	NIL	22.05	10.09	20.86
		(412.57)	(0.71)	(261.09)	(NIL)	(0.01)	(NIL)	(0.21)	(NA)	(NA)	(NIL)	(NIL)	(16.96)	(0.01)	(21.65)	(27.40)	(0.52)
3d	Global Holding Corporation Private Limited	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.25)	(NIL)	(NIL)	(NIL)
	TOTAL	641.26	2.64	300.29	4.11	2.72	0.10	0.12	NA	NA	2.16	NIL	32.96	3.92	49.30	11.41	24.67
4	Key Managerial Personnel																
4a	Mr. Manoj Tirodkar	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.43	0.02	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.34)	(0.02)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
4b	Mr. Sunil S. Valavalkar	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.14	0.01	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.04)	(0.00)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
4c	Mr. Vidyadhar Apte	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.72	0.02	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.95)	(0.02)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
4d	Mr. Milind Bapat	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.72	0.02	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(1.15)	(0.02)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
	TOTAL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	2.01	0.07	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Claim of ₹ 179 Crore (PY ₹ 179 Crore) of Global Holding Corporation Private Ltd. an Associate of the Company not acknowledged as debt is included in contingent liability.

Provision for contribution to Gratuity fund and Leave encashment on retirement which are made based on actuarial valuation on an overall Company basis are not included in remuneration details of key managerial personnel

2.34 VALUE OF IMPORT OF MATERIAL ON C.I.F. BASIS

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
Capital Goods	**NIL**	NIL
Trading Goods	**NIL**	NIL
Total	**NIL**	NIL

2.35 Activity in FOREIGN currency (ON ACCRUAL BASIS)

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
Earnings in Foreign Currency		
i) Sales and Services	**0.22**	0.89
Total	**0.22**	0.89
Expenditure in Foreign Currency		
i) Interest on borrowings	**32.32**	27.68
ii) Travelling Expenses	**0.58**	0.09
iii) Subscription and Membership Fees	**NIL**	0.01
iv) Repairs & Maintenance	**NIL**	0.02
v) Professional & Consultancy Charges	**1.03**	1.08
Total	**33.93**	28.88

2.36 Operating Leases

The Company's lease agreements are in respect of operating lease for office premises, guesthouse, warehouses, and vehicles. These lease arrangements are cancellable by either parties there to as per the terms and condition of the agreements. The lease rental recognized in the Statement of Profit and Loss during the year under the heading 'Rent' in 'Other Expenses' is ₹ 3.80 Crore (₹ 5.02 Crore). The lease obligations due within next five–years are ₹ 5.93 Crore (₹ 14.52 Crore).

2.37 DISCLOSURE OF INFORMATION AS REQUIRED BY REGULATION 34(3) OF LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS

a) Details of Loans or Advances in the nature of loans given to wholly owned Subsidiaries and step–down Subsidiaries.

(₹ in Crore)

Name of the Company	Relationship	Outstanding As at March 31,		Maximum balance during the year	
		2016	2015	**2016**	2015
GTL International Bangladesh Pvt. Ltd.	100% subsidiary of GTL Europe Limited	**10.54**	10.35	**10.65**	10.38
GTL International Limited	100% subsidiary of GTL Limited	**56.65**	53.94	**58.34**	54.48
International Global Tele–Systems Limited	100% subsidiary of GTL Limited	**225.93**	213.40	**233.72**	215.93

Note : Increase in outstanding amount over previous year is on account of exchange variation

b) None of the Subsidiaries to whom advances are given per se, have investment in the shares of the Company.

2.38 EARNINGS PER SHARE

(₹ In Crore (other than No. of Shares & EPS)

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
BASIC EARNINGS PER SHARE			
Numerator for basic earnings per share			
Loss after exceptional but before Tax & extra–ordinary items		**(2,607.44)**	(801.29)
Add:			
Dividend payable on Cumulative Preference Shares		**(0.23)**	(0.16)
Tax on Cumulative Preference Dividend payable		**(0.05)**	(0.03)
Provision for Income Tax, Deferred Tax & FBT		**NIL**	NIL
Net Loss after Tax but before Extra–ordinary item	(a)	**(2,607.72)**	(801.48)
Net Loss after tax & extra–ordinary item	(b)	**(2,607.72)**	(801.48)
Denominator for basic earnings per share –			
Weighted average number of shares	(c)	**157,296,781**	157,296,781
Basic and Diluted earnings per share before Extra–ordinary Items	d = (a/c)	**(165.78)**	(50.95)
Basic and Diluted earnings per share after Extra–ordinary Items		**(165.78)**	(50.95)

2.39 FINANCIAL AND OTHER DERIVATIVE INSTRUMENTS:

2.39.1 The Company has not entered into any derivative contract either during the year or in the previous year and there are no outstanding derivative contracts.

2.39.2 Foreign Currency exposures that are not hedged by the derivative instruments and forward contract are as under :

Particulars	As at March 31, 2016 ₹ in Crore	As at March 31, 2016 USD Mn	As at March 31, 2015 ₹ in Crore	As at March 31, 2015 USD Mn
Payable				
1 External Commercial Borrowings	**735.73**	**111.21**	694.86	111.21
2 Import Trade Payables	**5.08**	**0.77**	1.22	0.19
3 Interest payable on ECB Loan	**131.95**	**19.95**	93.75	15.00
	872.76	**131.93**	789.83	126.40
Receivable and Advances				
1 Export Trade Receivables	**28.62**	**4.33**	27.06	4.33
2 Advances	**311.28**	**49.00**	295.85	49.00
	339.90	**53.33**	322.91	53.33
Investments				
1 Preference Shares	**489.40**	**74.00**	462.20	74.00
2 Equity Shares	**21.55**	**5.76**	21.55	5.76
Total	**510.95**	**79.76**	483.75	79.76

2.40 GOING CONCERN

The Company's business activities comprise of one segment viz. "Network Services" post discontinuation of "Power Management segment."

In view of overall set back in the Company's business operations and factors beyond Management control, in the last few years the Company has incurred cash losses, which has resulted in erosion of entire net–worth of the Company. The Company's current liabilities are higher than its current assets.

In the previous financial year some of the ECB lenders and the NCD holder initiated legal proceeding inter–alia winding–up petition filed by the NCD holder. These matters are currently sub–judice.

The Company has made a proposal for a negotiated / One Time Settlement plan (OTS) to all lenders namely CDR, ECB and NCD by sale of its core / non core assets, which is under consideration. In this direction, Board of Directors of the Company approved the sale of OME business and in this context, the Monitoring Institution appointed under CDR program has allowed the Company to seek regulatory approvals for the sale of OME business.

Pending Company's proposal for negotiated / One Time Settlement plan (OTS), the Company continues to recognize its principal loan liability to CDR lenders as per the repayment terms specified in CDR package.

The Management is of view that the Company's settlement proposal / plan will be considered favorably. Resultantly, the doubt on the Company's inability to repay and meet its debt / liabilities would cease to exist and the Company which has been in service industry since its inception would be in a position to continue with the business operations.

Accordingly, the financial statements have been prepared on the basis that the Company is a going concern and no adjustments are required in the carrying value of assets and liabilities.

2.41 DETAILS OF ROUNDED OFF AMOUNTS

The financial statements are presented in ₹ in Crore. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest ₹ in Crore are as follows:

Note	Description	As at March 31, 2016	As at March 31, 2015
2.2	Reserves and Surplus		
	– Capital Reserve	**7,725**	7,725
2.24.2.b. iv	Interest Cost	**NA**	13,061
2.26	Freight Charges	**NA**	29,450

2.42 As per Accounting Standard (AS) –17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

2.43 The previous year figures, wherever necessary, have been regrouped/rearranged/recast to make them comparable with those of the current year.

2.44 Figures in brackets relate to the previous year unless otherwise stated.

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

For **M/s Godbole Bhave & Co.**
Chartered Accountants
FRN No.114445W

For **M/s Yeolekar & Associates**
Chartered Accountants
FRN No.102489W

Sunil S. Valavalkar
Whole–time Director

Vijay Vij
Director

M.V. Bhave
Partner
Membership No. 38812

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : April 28, 2016

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO
THE MEMBERS OF GTL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GTL LIMITED (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and by the other auditor in terms of their report referred to in sub–paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor, the aforesaid consolidated 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, of the consolidated state of affairs of the Group and its associates as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

a) Note No. 2.8.1 to the Consolidated financial statements which, inter–alia describes the uncertainty related to the outcome of the winding up petition filed against the Holding Company by the holders of Non Convertible Debentures issued by the Holding Company.

b) Note No. 2.36 to the Consolidated financial statements which inter – alia describes that the Group has incurred cash losses, its Net worth has been fully eroded and the Group's current liabilities have exceeded its current assets as at the balance sheet date.

These conditions, along with other matters set forth in Note No. 2.36, indicate the existence of a material uncertainty that cast significant doubt about the Group's ability to continue as a going concern. However, the financial statements of the Group have been prepared on a going concern basis for the reasons stated in the said Note.

c) Note No. 2.11.4 to the Consolidated financial statements which states that the book values/market values of certain long term investments referred to in the said note are lower than their carrying values and non provision for diminution in value of these investments for the reasons stated therein.

d) Note No. 2.11.3(a) to the Consolidated financial statements regarding accounting of share of loss in associate, Global Rural Netco Limited. The share of loss attributable to the percentage holding of the Holding Company in the said associate is Rs. 201.40 crores upto 31st March, 2016. However, the same is accounted and restricted to the extent of equity investment of Rs. 75 crores held in the said associate for the reason stated in the said note.

e) Note No. 2.11.3(b) to the Consolidated financial statements regarding non consideration of the share in loss in the Holding Company's associates, GTL Infrastructure Ltd and Chennai Network Infrastructure Limited, in the consolidated financial statement, for the reasons stated in the said note.

f) Note No. 2.25.1 to the Consolidated financial statements regarding managerial remuneration paid by the Holding Company to Mr. Sunil S. Valavalkar, one of its whole time directors, for which the approval of the Central Government is awaited.

g) Note no. 2.31.1 to the Consolidated financial statements regarding liability under put option exercised on the Holding Company by the financial institution in respect of Optionally Convertible Loan (OCL) of Rs.100 crores raised by one of its associates, Global Rural Netco Limited, which is treated as Contingent Liability for the reasons stated in the said note and which further inter alia describes uncertainty regarding winding up proceedings initiated against the Holding Company and its above said associate by the said financial institution.

Our opinion is not modified in respect of these matters.

Other Matter

(a) In respect of the following outstanding Term Loan balances, interest accrued and provided thereon and Balances in Current Accounts of the Holding Company, Bank Balance Confirmations have not been received.

(Rs. In crores)

Name of The Bank	Balances as per Books as at 31st March, 2016		
	Term Loan Balance	Interest accrued and provided on term loan balance	Balances in Current Account
Catholic Syrian Bank	59.52	8.46	–
Punjab National Bank	345.60	52.23	0.70
State Bank of Hyderabad	23.89	4.05	0.01
Standard Chartered Bank	20.62	5.77	4.72
Total	**449.63**	**70.51**	**5.43**

(b) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 1.66 crores as at 31st March, 2016, total revenues of Rs. NIL and net cash flows amounting to Rs. NIL for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub–section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

(c) We did not audit the financial statements of one subsidiary and the consolidated financial statements of one subsidiary whose financial statements reflect total assets of Rs. 654.78 crores as at 31st March, 2016, total revenues of Rs. 465.73 crores and net cash flows amounting to Rs.(31.20) crores for the year ended on that date, as considered in the Consolidated financial statements.

The Consolidated financial statements also include the Holding Company's share of net loss of Rs.17.63 crores for the year ended 31st March, 2016, as considered in the Consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us.

These financial statements/ Consolidated financial statements of the above Subsidiaries and an associate are unaudited and have been furnished to us by the Management of the Holding Company and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub–section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements furnished to us by the management.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to non receipt of confirmation as stated in (a) above and with respect to our reliance on the work done and the report of the other auditor and the financial statements/ consolidated financial statements certified by the Management as stated in (b) and (c) above.

Report on Other Legal and Regulatory Requirements

1. As required by Section143 (3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated financial statements.

   (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable.

   (e) In our opinion, the following matters described in sub–paragraph (a) (b) and (g) under Emphasis of Matter paragraph above, may have an adverse effect on the functioning of the Group:

      i) The winding up petition filed against the Holding Company by the holders of Non Convertible Debentures issued by the Holding Company.

      ii) the going concern matter and

      iii) Liability under put option exercised on the Holding Company by the Financial Institution in respect of Optionally Convertible Loan (OCL) of Rs.100 crores, raised by, Global Rural Netco Limited, the Holding Company's associate which is treated as contingent liability and the winding up proceedings initiated against the Holding Company and its above said associate by the said financial institution.

   (f) On the basis of management representation and on the basis of the legal opinion obtained by the Holding Company in the context of provisions of section 164(2) of the Act in relation to non–payment of dues to the holders of Non Convertible Debentures and on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016, and taken on record by the Board of Directors of the Holding Company and on the basis of report of statutory auditor of its subsidiary company incorporated in India, none of the directors of these entities is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act. We are unable to comment whether any of the director of the associate company, which is incorporated in India, is disqualified in terms of Section 164 (2) of the Act, as unaudited accounts of the associate were provided to us by the management of the Holding Company.

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report in "Annexure A".

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate. Refer Note 2.31.1 to the Consolidated financial statements.

ii. The Group did not have any long–term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India. We have been informed that in case of the Holding Company's associate incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund. Unpaid dividend of the Holding Company of Rs. 0.15 crores pertaining to the years 2000–01, 2001–02 and 2003–04 to 2006–07 which has not been transferred to the Investor Education and Protection Fund but is held in abeyance on account of pending legal cases is not considered for reporting under this clause.

For **Godbole Bhave & Co.**
Chartered Accountants
Firm Reg. No. – 114445W

M. V. Bhave
Partner
Membership No. 038812

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

S. S. Yeolekar
Partner
Membership No. 036398

Place: Mumbai
Date: 28th April, 2016

ANNEXURE "A"

TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF GTL LIMITED

(Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of GTL Limited on the consolidated financial statements for the year ended 31st March, 2016)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub–section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of GTL Limited (hereinafter referred to as "the Holding Company") and its subsidiary company (the Holding Company and its subsidiary company together referred to as "the Group") which is a company incorporated in India, as of that date.

In respect of an associate company incorporated in India, which has been included in consolidated financial statements based on unaudited financial statement of such associate provided to us by the management of the Holding Company and hence no report on internal financial controls over financial reporting under section 143 (3) (i) of the Act is available, and accordingly the possible effects of the same on our reporting on internal financial controls over financial reporting have not been considered.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary company, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of their assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of his report referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:–

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor as referred to in the Other Matters paragraph, the Holding Company and its subsidiary incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2016, based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

For **Godbole Bhave & Co.**
Chartered Accountants
Firm Reg. No. – 114445W

M. V. Bhave
Partner
Membership No. 038812

Place: Mumbai
Date: 28th April, 2016

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

S. S. Yeolekar
Partner
Membership No. 036398

Consolidated Balance Sheet as at March 31, 2016

(₹ in Crore)

		Note No.	As at March 31, 2016	As at March 31, 2015
I.	**EQUITY AND LIABILITIES**			
	SHAREHOLDER'S FUNDS			
	Share Capital	2.1	**807.30**	807.30
	Reserves and Surplus	2.2	**(3,824.17)**	(873.67)
			(3,016.87)	(66.37)
	Minority Interest		**0.31**	(0.22)
	NON–CURRENT LIABILITIES			
	Long–term borrowings	2.3	**1,217.69**	1,869.36
	Other Long–term liabilities	2.4	**NIL**	NIL
	Long–term provisions	2.5	**6.36**	5.97
			1,224.05	1,875.33
	CURRENT LIABILITIES			
	Short–term borrowings	2.6	**293.92**	277.94
	Trade payables	2.7	**198.19**	413.50
	Other current liabilities	2.8	**5,461.73**	4,193.22
	Short–term provisions	2.9	**1.52**	1.38
			5,955.36	4,886.04
Total			**4,162.85**	6,694.78
II.	**ASSETS**			
	NON–CURRENT ASSETS			
	Fixed assets	2.10		
	Tangible assets		**143.36**	247.85
	Intangible assets		**0.83**	1.09
	Capital work–in–progress		**0.23**	64.30
			144.42	313.24
	Intangible assets under development			
	Non–current investments	2.11	**2,209.90**	3,146.15
	Deferred tax assets (net)	2.12	**0.06**	19.44
	Long–term loans and advances	2.13	**756.20**	1,551.91
			2,966.16	4,717.50
	CURRENT ASSETS			
	Current investments	2.14	**NIL**	20.81
	Inventories	2.15	**10.92**	98.26
	Trade receivables	2.16	**212.44**	550.83
	Cash and Bank Balance	2.17	**118.86**	139.35
	Short–term loans and advances	2.18	**587.13**	498.07
	Other current assets	2.19	**122.92**	356.73
			1,052.27	1,664.04
Total			**4,162.85**	6,694.78
Significant Accounting Policies		1		
and Notes form an integral part of the financial statements		2.1 to 2.39		

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

For **M/s Godbole Bhave & Co.**
Chartered Accountants
FRN No.114445W

For **M/s Yeolekar & Associates**
Chartered Accountants
FRN No.102489W

Sunil S. Valavalkar
Whole–time Director

Vijay Vij
Director

M.V. Bhave
Partner
Membership No. 38812

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : April 28, 2016

Statement of Consolidated Profit and Loss for the year ended March 31, 2016

(₹ in Crore)

	Note No.	For the Year ended on March 31, 2016	For the Year ended on March 31, 2015
Continuing Operations			
Revenue from operations	2.21	**1,683.19**	1,674.69
Less: Excise Duty		**NIL**	NIL
		1,683.19	1,674.69
Other Income	2.22	**40.60**	90.80
Total Revenue		**1,723.79**	1,765.49
Expenses:			
Cost of Purchases	2.23	**1,276.21**	1,251.57
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	2.24	**85.01**	24.89
Employee benefits expenses	2.25	**220.55**	231.54
Finance Costs	2.26	**581.31**	516.80
Depreciation and amortization expense	2.10	**100.85**	132.51
Other expenses	2.27	**493.59**	339.78
Total Expenses		**2,757.52**	2,497.09
Loss before exceptional items and tax		**(1,033.73)**	(731.60)
Exceptional Items	2.28	**(1,810.73)**	(39.22)
Loss after exceptional items but before tax		**(2,844.46)**	(770.82)
Tax expense:	2.29		
Current tax		**10.78**	5.32
Short Provision for Income Tax for earlier years		**NIL**	NIL
Deferred tax Liability / (Asset)		**2.23**	0.01
Loss after tax expense from countinuing opeartions		**(2,857.47)**	(776.15)
Less : Minority Interest		**0.06**	0.55
Add : Share of Profit / (Loss) in associates		**(17.63)**	(11.81)
Loss after tax expense, Share of Profit in associates and minority interest from continuing operations		**(2,875.04)**	(787.41)
Discontinuing operations			
Loss / (Profit) before tax from discontinuing operations	2.30	**(39.18)**	(317.33)
Tax expense of discounting operations		**18.84**	10.15
Loss after tax expense from discontinuing operations		**(58.02)**	(327.48)
Loss for the year		**(2,933.06)**	(1,114.89)
Earnings per equity share:			
Equity shares of par value ₹ 10/– each			
Basic		**(186.48)**	(70.89)
Diluted		**(186.48)**	(70.89)
Significant Accounting Policies	1		
and Notes form an integral part of the financial Statements	2.1 to 2.39		

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

For **M/s Godbole Bhave & Co.**
Chartered Accountants
FRN No.114445W

For **M/s Yeolekar & Associates**
Chartered Accountants
FRN No.102489W

Sunil S. Valavalkar
Whole–time Director

Vijay Vij
Director

M.V. Bhave
Partner
Membership No. 38812

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : April 28, 2016

Consolidated Cash Flow Statement for the year ended March 31, 2016

(₹ in Crore)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Net Profit / (Loss) before tax, after Minority Interest and Share of Profit of Associates:		
Net Loss before tax from continuing operations	**(2,862.03)**	(782.08)
Net Loss before tax from discontinuing operations	**(39.18)**	(317.34)
Net loss before tax	**(2,901.21)**	(1,099.42)
Adjustments for:		
Depreciation – Continuing operations	**100.85**	132.51
Depreciation – Discontinuing operations	**2.25**	7.48
Interest and Dividend Income	**(6.08)**	(25.52)
Bad Debts written off	**NIL**	14.98
Provision for doubtful Trade Receivables (Net)– Continuing operations	**348.92**	135.36
Provision for doubtful Trade Receivables (Net)– Discontinuing operations	**10.00**	28.92
Provision for doubtful short term loans and advance	**45.76**	69.35
Assets Written off	**NIL**	48.72
Inventory Written off	**55.43**	NIL
Debit/Credit balances and claims written off (Net)	**(2.20)**	(2.92)
(Profit)/Loss on sale of fixed assets (Net)	**(0.23)**	NIL
(Profit)/Loss on sale / redemption of Investments	**(2.99)**	(7.54)
Minority Interest	**(0.06)**	(0.55)
Share of Profit / (Loss) in associate	**17.63**	11.82
Unrealised Exchange (Gain)/Loss	**34.15**	20.66
Provision for Wealth Tax	**NIL**	0.01
Interest on Borrowings	**551.68**	483.03
Financial Charges	**3.52**	6.61
Exceptional Items :		
Provision for doubtful Advance (Net)	**820.07**	136.00
Provision for Diminution in Value of Investment	**923.00**	45.00
Fixed assets written off	**67.66**	NIL
Remission of Loan Liability (Principal Amount)	**NIL**	(42.49)
Suppliers Claim – Continuing operations	**NIL**	245.72
Claim received from Aircel	**NIL**	(345.00)
Claims of Distribution franchise –Discontinuing operations	**NIL**	113.49
Operating profit before Working Capital changes	**68.15**	(23.78)
Adjustments for:		
Inventories	**31.90**	22.64
Trade Receivables	**(21.27)**	49.58
Loans and advances	**(141.89)**	84.87
Other Current Assets	**23.05**	40.93
Trade payables	**(2.16)**	71.25
Other liabilities and provisions	**5.74**	(34.73)
Cash generated from operations	**(36.48)**	210.76
Direct taxes received / (paid)	**(17.66)**	20.27
Cash flow from Operating Activities	**(54.14)**	231.03
Exceptional Items :		
Claim received from Aircel	**NIL**	345.00
Vendors claims paid	**NIL**	(245.72)
Net Exceptional Items	**NIL**	99.28
Net cash Generated from / (used in) operating activities: (A)	**(54.14)**	330.31

(₹ in Crore)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	**(3.07)**	(25.80)
Proceeds from Sale of fixed assets	**0.43**	0.77
Proceeds from sale of Investments in Mutual Fund	**162.80**	849.19
Purchase of Investments – Mutual Fund	**(139.00)**	(818.45)
Realisation from Sale of investments – Other than Subsidiaries	**NIL**	3.00
Interest and Dividend Income	**8.40**	4.26
Net Cash Generated from/(used in) Investing Activities (B)	**29.56**	12.97
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Borrowings	**47.37**	166.00
Decrease in Borrowings	**(26.75)**	(347.97)
Interest paid	**(24.48)**	(219.42)
Financial Charges	**(3.52)**	(6.61)
Fixed deposits with banks held as margin money	**1.91**	12.84
Net cash Generated from/(used in) financing activities (C)	**(5.47)**	(395.17)
Adjustment on account of Consolidation / Translation (D)	**11.46**	(6.35)
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	**(18.59)**	(58.24)
Cash and cash equivalents (Opening)	**110.50**	168.74
Cash and cash equivalents (Closing)	**91.91**	110.50

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

(ii) Figures in brackets indicate outflows.

(iii) Cash and Cash Equivalents at the end of the year include ₹ 0.46 Crore (Previous Year ₹ 0.59 Crore) towards amount payable for Unclaimed Dividend.

(iv) Following transactions since not involving cash flows are not considered in preparation of above Statement :

a) Increase in borrowings of ₹ NIL Crore (PY 249.16) on account of conversion of part of the accrued interest liability relating to NCD.

(v) Previous year's figures have been regrouped/rearranged/recast wherever necessary to make them camparable with those of current year.

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

For **M/s Godbole Bhave & Co.**
Chartered Accountants
FRN No.114445W

For **M/s Yeolekar & Associates**
Chartered Accountants
FRN No.102489W

Sunil S. Valavalkar
Whole–time Director

Vijay Vij
Director

M.V. Bhave
Partner
Membership No. 38812

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : April 28, 2016

1. BASIS OF PRINCIPLES OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 The financial statement relates to GTL Limited (hereinafter referred to as “the Company”) and its subsidiary companies (including step down subsidiaries). The list of companies considered for consolidation and basis of consolidation is as follows:

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial year ended on
A	**International Global Tele–Systems Limited**	**Mauritius**	**100% subsidiary of GTL Limited**	**31st December**
B	**GTL International Limited**	**Bermuda**	**100% subsidiary of GTL Limited**	**31st December**
B.1	GTL (Singapore) Pte Ltd.	Singapore	100% subsidiary of GTL International Ltd	31st December
B.2	GTL Overseas (Middle East) DMCC	UAE	100% subsidiary of GTL International Ltd	31st December
B.3	GTL Europe Limited	UK	100% subsidiary of GTL International Ltd	31st December
B.4	GTL Nepal Private Limited	Nepal	100% subsidiary of GTL (Singapore) Pte Ltd.	31st December
B.5	iGTL Myanmar Limited	Myanmar	100% subsidiary of GTL (Singapore) Pte Ltd.	31st March
C	**Ada Cellworks Wireless Engineering Private Limited**	**India**	**100% subsidiary of GTL Limited**	**31st March**

The subsidiary companies closed / liquidated / under liquidation / sold during the year:

A. Subsidiary companies closed / liquidated / under liquidation:

i. GTL Kenya Limited

ii. GTL Tanzania Limited,

iii. GTL Network Services Malaysia Sdn. Bhd.,

iv. GTL China Corporation Ltd.,

v. Pt. GTL Indonesia Limited,

vi. GTL International Bangladesh Pvt. Ltd.,

vii. GTL Overseas Middle East FZ LLC,

viii. GTL International Nigeria Ltd and

ix. GTL International Lanka (Private) Limited.

x GTL Saudi Arabia Company Limited

xi iGTL Network Services Philippines Inc.

B. Subsidiary companies sold:

i. i. GTL USA Inc. and GTL Canada Inc

1.2 Principles of Consolidation:

1 The financial statements of the Company and its subsidiary companies (including step down subsidiaries) are combined on a line–by–line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra–group balances and intra–group transactions in accordance with Accounting Standard (AS – 21) "Consolidated Financial Statements".

2 In case of foreign subsidiaries, being non–integral foreign operation, revenue items are converted at weighted average rate for the financial year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized as the "Translation Reserve" and the same is grouped under "Reserves and Surplus".

3 The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

4 The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

5 Share of Minority Interest in net profit / loss of the consolidated subsidiaries for the year is identified and adjusted against the profit / loss of the group in order to arrive at the net profit / loss attributable to shareholders of the Company.

6 Share of Minority Interest in net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

7 Investment in Associate Companies is accounted under the equity method as per Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements", except investment in associates which operate under severe long term restrictions that significantly impair their ability to transfer funds to the Company. The investment in such associates is accounted as per AS 13– "Accounting for Investments".

8 As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

1.3 Significant Accounting Policies on Consolidated Accounts:

1. Basis for preparation of Consolidated Financial Statements:

The Consolidated Financial Statements have been prepared on a going concern basis under historical cost convention on accrual basis, in accordance with the generally accepted accounting principles in India and relevant provisions of the Companies Act, 2013.

2. 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 year. The difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. Revenue recognition:

Revenues are recognized when it is earned and when there is no significant uncertainty as to its measurement and realization. The specific revenue recognition policies are as under:

a. Revenue from Turnkey Contracts, which are either Fixed Price or Cost Plus contracts, is recognized based on work completion of activity or achievement of milestone.

b. Revenue from sale of products is recognized upon passing of the title of goods and/or on transfer of significant risk and rewards of ownership thereto.

c. Revenue from Power distribution is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the accounting year.

d. Revenue from Services is recognized on performance of Service

e. Dividend income is recognized when the right to receive dividend is established.

f. Income such as annual maintenance contracts, annual subscriptions, Interest excluding interest on delayed payments, Lease Rentals, Facility Management is recognized as per contractually agreed terms on time proportion basis.

g. Other income is recognized when the right to receive is established.

h. Delayed payment charges and interest on delayed payments are recognized, on ground of prudence, as and when recovered.

4. **Fixed Assets, Intangible Assets and Capital Work in Progress:**

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. All identifiable costs incurred up to the date asset is put to use are capitalized. Costs include purchase price (including non–refundable taxes/duties) and borrowing costs for the assets that necessarily take a substantial period of time to get ready for its intended use. Costs are adjusted for grants available to the Company which are recognized based on reasonable assurance that the Company will comply with the conditions attached to the grant and it is reasonably certain that the ultimate collection of grants will be made.

Intangible Assets are stated at the cost of acquisition less accumulated amortization. In case of internally generated assets, cost includes all directly allocable expenditures. Intangible assets exclude the operating software, which forms an integral part of the hardware.

Capital Work In Progress includes cost of fixed assets that are not ready for their intended use as at the balance sheet date.

5. **Depreciation:**

a. Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method over the useful life of the assets and in the manner prescribed in schedule II to the Companies Act, 2013 except in respect of following Fixed Assets where the assessed useful life is different than that prescribed in Schedule II.

i) In respect of the following assets, the useful economic life as assessed is lower than the useful life for these assets as stated in Schedule II.

Sr.	Asset	Economic Useful Life (Years)
1	Buildings (including land for which no separate Valuation is available)	58
2	Plant and Equipment	3 to 10
3	Furniture and Fixtures	5
4	Test and Repair Equipment	5
5	Vehicles	5
6	Assets acquired for Power Distribution Franchise (Classified as Plant & Machinery)	
	a) Transformers, Switch Gears and Equipment	13
	b) Meters	8
	c) Overhead lines for Distribution	13
	d) Underground lines for Distribution	20

ii) Assets costing individually ₹ 5,000 or less are depreciated fully in the year of purchase.

b. Assets taken on lease are depreciated as per useful life prescribed in schedule II, over lease period or the estimated useful life of such assets, whichever is lower. The improvements to leasehold assets are depreciated as per useful life prescribed in schedule II, over the lease period, the estimated useful life of the improvements or the balance lease period, whichever is lower.

6. **Impairment of Assets:**

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting year/s is reversed if there has been a change in the estimate of recoverable amount.

7. **Investments:**

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

b. Investment in Associate Companies is accounted under the equity method as per Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements", except investment in associates which operate under severe long term restrictions that significantly impair their ability to transfer funds to the Company. The investment in such associates is accounted as per AS 13– "Accounting for Investments" as per policy stated in 7(a) above.

8. Inventories:

b. Inventories including Work–in–process and stores and spares are valued at the lower of cost and net realizable value.

c. Cost of inventories is generally ascertained on first in first out basis.

9. Foreign currency transactions:

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

b. Monetary foreign currency items are reported at the exchange rates as at Balance Sheet date.

c. In respect of transactions covered under forward exchange contracts, the difference between the exchange rates prevailing at the Balance Sheet date and rate on the date of the contract is recognized as exchange difference. The premium on forward contract/s is amortized over the life of the contract.

d. Non–monetary foreign currency items are carried at cost.

e. Any gains or losses on account of exchange difference either on settlement or on translation are recognized in the Statement of Profit and Loss.

f. Foreign branch operations which are integral part of Company's operations, transactions there at are reported as under:

i. Income and expenditure items at the exchange rate prevailing on the date of transaction.

ii. Monetary items using exchange rates at the Balance Sheet date.

iii. Non–monetary items at the exchange rates prevailing on the date of transaction.

10. Employee Benefits:

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

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

c. In respect of employee's stock options, the excess of market price on the date of grant over the exercise price is recognized as deferred employee compensation expenses, which are amortized over vesting period.

11. Provision for Current and Deferred Tax:

a. Current Tax: Provision is made for income tax, under the tax payable method, based on the liability as computed after taking credit for allowances, exemptions, and MAT credit entitlement for the year. Adjustments in books are made only after the completion of the assessment. In case of matters under appeal, due to disallowances or otherwise, full provision is made when the Company accepts the said liabilities.

b. Deferred tax: The differences that result between the profit / loss offered for income tax and the profit / loss as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent there is virtual certainty that the asset will be realized in the future. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

12. Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized 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.

13. Financial Derivatives and Hedging Transactions:

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

14. Borrowing Cost:

a. Borrowing costs, less any income on the temporary investment out of those borrowings, that are directly attributable to acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of that asset.

b. Other borrowing costs are recognized as expense in the period in which they are incurred.

15. Leases:

a. Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the Statement of Profit and Loss on a straight–line basis over the lease term.

b. Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to the Company are classified as Finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

16. Provision for Doubtful Debts and Loans and Advances:

Provision is made for doubtful trade receivables, loans and advances when the management considers trade receivables, loans and advances to be doubtful of recovery.

17. Research and Development:

a. Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred.

b. Capital expenditure on Research and Development is included under the relevant fixed assets and depreciation thereon is provided as given in policy no. 5 above

18. Cash and Cash equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, cheques in hand and deposits with banks having maturity period less than three months from the date of acquisition.

19. Discontinued operations:

An operation of the Company is considered as discontinued when it meets the following criteria:

A discontinued operation is a component of the Company's business, that can be distinguished operationally and for financial reporting purposes and which represents a separate major line of business or geographical area of operations that company is disposing of substantially in its entirety, such as by selling the component in a single transaction or by demerger or spin–off of ownership of the component to the Company's shareholders or disposing of piecemeal, such as by selling off the component's assets and settling its liabilities individually; or terminating through abandonment.

2. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(The word Company refers to GTL Limited unless context otherwise permits)

2.1 SHARE CAPITAL

(₹ In Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Authorised:		
290,000,000 (290,000,000) Equity Shares of ₹ 10 each.	**290.00**	290.00
810,000,000 (810,000,000) Preference Shares of ₹ 10 each.	**810.00**	810.00
	1,100.00	1,100.00
Issued, subscribed and paid up:		
157,296,781 (157,296,781) Equity Shares of ₹ 10 each fully paid–up.	**157.30**	157.30
650,000,000 (650,000,000) 0.01% Non–participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid–up.	**650.00**	650.00
Total	**807.30**	**807.30**

2.1.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the year:

(₹ In Crore)

Particulars	**As at March 31, 2016**		As at March 31, 2015	
	Nos.	**Amount**	Nos.	Amount
Number of Equity Shares at the beginning of the year	**157,296,781**	**157.30**	157,296,781	157.30
Total Number of Equity Shares at the end of the year	**157,296,781**	**157.30**	157,296,781	157.30

2.1.2 Reconciliation of the Preference shares outstanding at the beginning and at the end of the year:

(₹ in Crore)

Particulars	**As at March 31, 2016**		As at March 31, 2015	
	Nos.	**Amount**	Nos.	Amount
Number of Preference Shares at the beginning of the year	**650,000,000**	**650.00**	650,000,000	650.00
Total Number of Preference Shares at the end of the year	**650,000,000**	**650.00**	650,000,000	650.00

2.1.3 Terms, Rights, Preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a face value of ₹ 10/– per share. Each holder of equity share is entitled to one vote on show of hands and in case of poll, one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the Company in respect of any of the equity shares of such member. All equity shares of the Company rank *pari–passu* in all respects including the right to dividend.

In the event of winding–up of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, if any, after distribution of all preferential amounts in proportion to the number of shares held at the time of commencement of winding–up.

The equity shareholders have all other rights as available to equity shareholders as per the provisions of Companies Act, 2013, read together with Memorandum of Association of the Company.

2.1.4 Terms, Rights, Preferences and restrictions attached to 0.01% – Non Participating Optionally Convertible Cumulative Preference Shares (OCPS):

The Company has only one class of preference shares, having face value of ₹ 10/– per share allotted to Chennai Network Infrastructure Limited (CNIL). In terms of the issue, CNIL had right to convert OCPS into equity shares from the expiry of 6 months from the date of allotment till 18 months of the date of allotment. However, CNIL has opted for non–conversion of OCPS into equity shares.

The OCPS carry a dividend of 0.01 % per annum, payable on a cumulative basis on the date of conversion / redemption as the case may be. Any declaration and payment of dividend shall at all times be subject to the availability of Profits and the terms of the restructuring of the debts under the Corporate Debt Restructure (CDR) Mechanism, unless otherwise agreed by the CDR Lenders. Further, in the event of inability of the Company to declare / pay dividend due to non–availability of Profits / pursuant to the terms of restructuring, the dividend may be waived by CNIL.

After the expiry of a period of 6 months from the Allotment Date, the OCPS may at the Option of the Company be redeemed at any time prior to the expiry of 20 years from the date of the allotment, in part or in full, after providing a prior written notice of 30 days to CNIL. As agreed by the OCPS holder, the original term providing Yield to Maturity of 8% by way of redemption premium has been repealed by the Board.

Other than as permitted under applicable laws, CNIL will not have a right to vote at the Company's General Meetings. CNIL has also agreed to waive the right to vote in the event it waives the right to receive dividend.

In the event of winding–up of the Company, the OCPS holder/s will be entitled to receive in proportion to the number of shares held at the time of commencement of winding–up, any of the remaining assets of the Company, if any, after distribution to all secured creditors and their right to receive monies out of the remaining assets of the Company shall be reckoned *pari–passu* with other unsecured creditors, however, in priority to the equity shareholders.

The OCPS holder/s shall have such rights as per the provisions of Companies Act, 2013, read together with Memorandum of Association of the Company.

2.1.5 The details of shareholders holding more than 5% of Equity shares in the Company

Name of the shareholder	No. of Shares as at March 31, 2016	% held as at March 31, 2016	No. of Shares as at March 31, 2015	% held as at March 31, 2015
Global Holding Corporation Private Limited	**50,980,559**	32.41%	50,980,559	32.41%
Manoj G. Tirodkar	**18,599,435**	11.82%	18,599,435	11.82%

2.1.6 The details of shareholders holding more than 5% of Preference shares in the Company

Name of the shareholder	No. of Shares as at March 31, 2016	% held as at March 31, 2016	No. of Shares as at March 31, 2015	% held as at March 31, 2015
Chennai Networks Infrastructure Limited	**650,000,000**	100%	650,000,000	100%

2.2 RESERVES AND SURPLUS

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
Opening balance	**12.84**	12.84
Closing Balance	**12.84**	12.84
Capital Redemption Reserve		
Opening balance	**8.63**	8.63
Closing Balance	**8.63**	8.63
Securities Premium Reserve		
Opening balance	**448.18**	448.18
Closing Balance	**448.18**	448.18
Debenture Redemption Reserve		
Opening balance	**191.16**	191.16
Closing Balance	**191.16**	191.16
General Reserve		
Opening balance	**510.76**	510.76
Closing Balance	**510.76**	510.76
Translation Reserve	**(1.81)**	(7.18)
Reserve on Consolidation	**(2.59)**	20.22
Balance in Statement of Profit and Loss :		
Surplus /(Deficit) Opening Balance	**(2,058.28)**	(943.39)
Add/Less : Net profit / (loss) after tax transferred from Statement of Profit and Loss	**(2,933.06)**	(1,114.89)
Surplus/(Deficit) Closing Balance	**(4,991.34)**	(2,058.28)
Total	**(3,824.17)**	(873.67)

*In view of Loss incurred, no Debenture Redemption Reserve is created since year ended March 31, 2012.

2.3 LONG TERM BORROWINGS

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loans		
Term Loans:		
From Banks (Refer Note 2.3.1 & 2.3.2)	**1,109.22**	1,596.78
Total of secured loans	**1,109.22**	1,596.78
Unsecured Loans		
Term Loans **:**		
Term Loan from Banks (Refer Note 2.3.2)	**108.47**	272.58
Total of unsecured loans	**108.47**	272.58
Total of Long Term Borrowings	**1,217.69**	1,869.36

2.3.1 Nature of security:

I) Security created in favor of CDR Lenders:

a) A first charge and mortgage on all immovable properties, present and future;

b) A first charge by way of hypothecation over all movable assets, present and future;

c) A first charge on the Trust and Retention Account and other reserves and any other bank accounts wherever maintained, present & future;

d) A first charge, by way of assignment or creation of charge, over:

i. all the right, title, interest, benefits, claims and demands, whatsoever, in the Project Documents duly acknowledged and consented to by the relevant counter–parties to such Project Documents, all as amended, varied or supplemented from time to time;

ii. all the rights, title, interest, benefits, claims and demands, whatsoever, in the Clearances;

iii. all the right title, interest, benefits, claims and demands, whatsoever, in any letter of credit, guarantee, performance bond provided by any party to the Project Documents;

iv. all the rights, title, interest, benefits, claims and demands, whatsoever, in Insurance Contracts / proceeds under Insurance Contracts;

e) Pledge of all shares held in the Company by one of the Promoters of the Company namely Mr. Manoj G. Tirodkar;

f) Pledge of all investments of the Company, except investment in Global Rural Netco Ltd (GRNL) which will be pledged on fulfillment of financial covenant agreed with the lenders of GRNL;

g) Mr. Manoj G. Tirodkar, one of the promoters of the Company, has extended a personal guarantee. The guarantee is limited to an amount of ₹ 394.28 Crore; and

h) Mr. Manoj G. Tirodkar and Global Holding Corporation Private Limited, promoters of the Company, have executed sponsor support agreement to meet any shortfall or expected shortfall in the cash flows towards the debt servicing obligations of the Company;

II) Security offered to CDR Lender's pending creation of charge

i) The Company's one of the promoters namely GHC along with its step down subsidiaries has to extend corporate guarantee; and

ii) GHC has to pledge its holding in the Company that is currently pledged by GHC in favor of its lenders, as and when released, either in full or part.

III) Prior to the restructuring of the Company's debts under CDR Mechanism, the Company created security on certain specified tangible assets of the Company in favour of Andhra Bank, Punjab National Bank, Union Bank of India, Vijaya Bank, IDBI Bank Limited, State Bank of Hyderabad, Bank of Baroda, UCO Bank, Indian Overseas Bank, Indian Bank, Canara Bank and Dena Bank for their respective credit facilities other than term loans, aggregating ₹ 1,572 Crore. In terms of CDR documents inter–alia Master Restructuring Agreement, the earlier charges are not satisfied by the Company after creation of new security as stated in I above.

2.3.2 Maturity profile of Long Term Borrowings and Current Maturities thereof:

(₹ in Crore)

Sr. No.	Nature of facility and Rate of interest	Mar 17	Mar 18	Mar 19	Mar 20	Mar 21
	Parent Company (refer note no 2.3.2.1)					
1	WCTL – 11%	369.74	415.95	231.09	231.09	231.09
2	FITL – 2%	117.82	NIL	NIL	NIL	NIL
	International Subsidiaries					
3	Term Loan (LIBOR + 3.5%) (refer note no.2.3.2.2)	41.61	50.86	57.61	NIL	NIL
	Total	**529.17**	**466.81**	**288.70**	**231.09**	**231.09**

2.3.2.1 In view of the non–payment of loan installments and interest accrued thereon, CDR lenders have classified facilities provided to the Company as Non – Performing Assets (NPA). Considering the continuation of CDR package, the maturity profile presented above is as per approved CDR package.

2.3.2.2 GTL International Ltd. (a wholly owned subsidiary of the Company) had borrowed from a consortium of Axis Bank, Bank of Baroda and Bank of India and the proceeds of the same were used to repay a part of the 7% Cumulative Convertible Debentures and interest thereon. For this facility, there is an escrow on the bank accounts of GTL Europe Limited and GTL Singapore Pte Ltd in favour of Axis Bank for the collection from Trade Receivables.

2.4 OTHER LONG TERM LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Security Deposits	**NIL**	NIL
Total	**NIL**	NIL

2.5 LONG TERM PROVISIONS

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits:		
– Gratuity	**5.21**	4.58
– Leave Encashment	**1.15**	1.39
Total	**6.36**	5.97

2.6 SHORT TERM BORROWINGS

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Loans repayable on demand :		
From Banks		
– Cash Credit – Secured *	**286.56**	261.35
– Overdraft– Secured **	**7.36**	2.54
– Overdraft – Unsecured	**NIL**	14.05
Total	**293.92**	277.94

*For details of Securities offered in respect of cash credit facility refer note no. 2.3.1

** Secured against term deposits of ₹ 14.21 Crore (₹ 5.95 Crore) with banks.

2.7 TRADE PAYABLES

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables(Refer note no 2.7.1, 2.7.2 and 2.19.2)	**198.19**	413.50
Total	**198.19**	413.50

2.7.1 The balances of trade payables are subject to reconciliation and confirmation. Appropriate adjustment, if necessary, will be considered in the year of reconciliation.

2.7.2 Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

The information required to be disclosed has been furnished to the extent parties have been identified as Micro, Small and Medium Enterprises on the basis of information available in this regard with the Company.

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Principal amount remaining unpaid	**0.94**	0.99
Interest due thereon	**2.58**	2.35
The amount of interest paid in terms of section 16, along with the amounts of the payment made beyond the appointed day during accounting year	**NIL**	NIL
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	**0.04**	0.13
The amount of interest accrued and remaining unpaid at the end of accounting year	**2.58**	2.35
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	**0.23**	0.32

2.8 OTHER CURRENT LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of Secured Long Term Loan from Bank (Refer Note No. 2.3.1)	**487.56**	467.92
Current maturities of Unsecured Term Loan from Bank	**41.61**	34.99
Due / Payable to holder of Non–Convertible Debentures (Refer Note No. 2.8.1)	**1,649.16**	1,649.16
Dues to holders of (Current maturities of) 7% cumulative convertible debentures	**66.27**	76.73
Due to External Commercial Borrowing Lenders (Refer Note No. 2.8.2)	**735.73**	694.86
Dues payable to Banks for Secured Long Term Loan (Refer Note No.2.8.3)	**938.49**	419.55
Credit Facilities from Banks– Due (Refer Note No. 2.8.4)	**177.34**	162.35
Unsecured term loan from bank – due	**138.72**	NIL
Interest accrued and due on borrowings (Refer Note 2.8.5)	**1,134.53**	601.45
Interest accrued and due on others	**2.59**	2.35
Unpaid dividends	**0.46**	0.59
Capex Creditors	**0.47**	0.28
Expense Creditors	**14.28**	15.38
Provision for Expenses	**18.49**	9.27
Accrued salaries and employee benefits	**3.69**	3.22
Withholding and other taxes payable	**8.31**	11.63
Advance from customers	**17.29**	17.17
Security deposit received*	**2.24**	2.23
Unearned revenue	**23.16**	23.04
Other liabilities**	**1.34**	1.05
Total	**5,461.73**	4,193.22

*Include ₹ 2.16 Crore (₹ 2.16 Crore) received from related party.

**Includes due to employees towards insurance claims received ₹ 1.30 Crore (₹ 1.05 Crore).

2.8.1 In the financial statements of the earlier financial year, the following was disclosed in relation to the Rated Redeemable Unsecured Rupee Non–Convertible Debentures issued by the Company:

"The holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures have given their consent to be part of the Corporate Debt Restructuring Scheme. Accordingly, the Company and the holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures have entered into amendment to the original sanction letter on March 22, 2014 to restructure NCD debt, pending fulfillment of conditions mentioned therein, the effect of the same is not given in the books.

The time period for complying with the various conditions was originally May 31, 2014 and the same was subsequently extended to July 31, 2014.

While the Company had taken steps towards fulfillment of its obligations including payment of a sum of ₹ 123.80 Crore in the previous year towards interest, due to certain inter–creditor issues, and pendency of consent by CDR Lenders, the restructuring could not be implemented within the time prescribed under definitive documentation entered into with the NCD holders.

While the Company was in the process of obtaining consent of the CDR lenders on bilateral restructuring documents, the Company received a notice on October 27, 2014 from the NCD holder exercising its rights for acceleration of the entire outstanding amount and in January 2015 the NCD holder filed winding up petition against the Company before Hon'ble High Court of Bombay seeking urgent / interim reliefs such as desisting from making any further payment to CDR lenders till ECB / NCD interest / principal dues are paid, share the proceeds of TRA account on *pari–passu* with CDR lenders and going forward to create security in favour of NCD holder. The Company has taken appropriate legal steps in these matters to defend / protect its interest.The CDR and ECB lenders of the Company have also intervened. The Bombay High Court has asked CDR lenders position on the NCD holder's treatment on *pari–passu* basis. The matter is currently sub–judice.

Since all funds of the Company are subject matter of Trust and Retention Account (TRA) which is controlled by CDR lenders, the question of payment to NCD holder does not arise until and unless CDR lenders decide on the issue as directed by the Hon'ble High Court of Bombay.

The above circumstances have resulted in non–payment of dues to the NCD holders, which is beyond the control of the management and thus not in the nature of default."

Since reporting in the financial statements as above in the previous year, the 3 set of Lenders viz CDR Lenders, ECB Lenders and NCD Holder considered the One Time Settlement (OTS) proposal of the Company for settlement of their dues in various meetings. As a culmination of such discussions, all the above 3 set of Lenders have agreed in–principle to consider the OTS proposal and the sharing ratio as decided by the lenders.

2.8.2 The Company availed an External Commercial Borrowing ("ECB") facility of USD 150 Mn in September 2006. The facility was due for repayment in September 2011. An amount of ₹ 735.73 Crore (USD 111.21 Mn) is presently owed to the ECB Lenders.

By way of background, it may be noted that on account of the various factors that adversely affected the telecom and power industries (and in particular, the Company), the Company was constrained to restructure its debt under the Corporate Debt Restructuring ("CDR") scheme with effect from July 2011. Pursuant to the terms of the said CDR package, the Company and the ECB lenders also agreed to an indicative term sheet for restructuring of ECB facilities. Even though RBI approval for the restructuring was obtained, due to the contrarian stands taken by different sets of lenders, the inter–creditor agreement could not be executed.

Pending execution of the documentation (which was being deliberated amongst the CDR lenders, the ECB lenders & the NCD holders), some of the ECB lenders filed an Application for Summary Judgment before the High Court of Justice, Queen's Bench Division, Commercial Court, London ("London High Court"). The London High Court, after hearing the parties, by way of its Order dated 20th February, 2015 dismissed the ECB lenders' application for summary judgment on their claim of interest post 19th September, 2011 and directed the Company to pay outstanding principal amount of USD 21.67 Mn, equivalent to ₹ 135.37 Crore, to the 3 ECB lenders who approached the court. The Court has also directed payment of GBP 31,500 equivalent to ₹ 0.29 Crore towards Claimants legal costs by the Company.

Since reporting in the financial statements as above in the previous year, the 3 set of Lenders viz CDR Lenders, ECB Lenders and NCD Holder considered the One Time Settlement (OTS) proposal of the Company for settlement of their dues in various meetings. As a culmination of such discussions, all the above 3 set of Lenders have agreed in–principle to consider the OTS proposal and the sharing ratio as decided by the lenders.

2.8.3 Dues payable to Banks for Secured Long Term Loan of ₹ 901.50 Crore represent overdue amount relating to period June 14 to March 2016 (Previous year ₹ 419.55 Crore relating to period June 14 to March 2015).

Dues payable to Banks for Secured Long Term Loan; pertaining to the Company's international subsidiaries and step–down subsidiaries of ₹ 36.99 Crore (USD 5.59 mn); represent overdue amount relating to period June 14 to December 2015 (Previous year NIL).

2.8.4 Dues payable of ₹ 177.34 Crore (previous year ₹ 162.35 Crore) to Banks towards facilities pertaining to the Company's wholly owned subsidiary, International Global Tele–Systems Limited comprises of:

a) Credit facility from the bank of ₹ 171.61 Crore (previous year ₹ 162.35 Crore), which was covered under an insurance policy assigned to the bank. The said amount is due since October 2011.

b) Bank overdraft facility of ₹ 5.73 Crore due since September 2013 (previous year NIL).

2.8.5 Interest accrued and due on borrowings comprises of:

a) Overdue Interest of ₹ 346.25 Crore relating to the period March 14 to March 16(previous year ₹ 189.28 Crore relating to the March 2014 to March 2015) on amounts due to holders of Rated Redeemable Unsecured Rupee Non–convertible Debentures;

b) Overdue Interest of ₹ 131.95 Crore relating to the period for December 12,2011 to March 31,2016(previous year ₹ 93.75 Crore relating to the period December 12, 2011 to March 31, 2015) on External Commercial Borrowings.

c) Overdue Interest of ₹ 454.44 Crore relating to the period June 2014 to March 2016 (previous year ₹ 196.54 Crore relating to the period June 2014 to March 2015) on Secured Term Loan

d) Overdue interest of ₹ 13.32 Crore relating to the period June 2014 to March 2016(previous year ₹ 5.87 Crore relating to the period June 2014 to March 2015) on Secured Funded Interest Term Loan

e) Overdue interest of ₹ 12.50 Crore relating to the period September 2014 to March 2016(previous year ₹ 2.48 Crore relating to the period September 2014 to March 2015) on Cash Credit facility.

f) Overdue interest of ₹ 9.79 Crore relating to the period November 2014 to March 2016 (previous year Nil) on Dues towards BG Invocation.

g) Overdue interest of ₹ 166.28 Crore (previous year ₹ 113.53 Crore) pertaining to the Company's international subsidiaries and step–down subsidiaries comprises of:

i. Interest of ₹ 58.56 Crore relating to the period March 12 to March 16 (previous year ₹ 45.50 Crore relating to the period March 12 to March 15) on credit facility

ii. Interest of ₹ 62.24 Crore relating to the period March 12 to March 16 (previous year ₹ 35.96 Crore relating to the period March 12 to March 15) on loans

iii. Interest of ₹ 17.18 Crore relating to the period September 12 to March 16 (previous year ₹ 7.40 Crore relating to the period September 12 to March 15) on term loans

iv. Interest of ₹ 26.47 Crore relating to the period June 12 to March 16 (previous year ₹ 21.40 Crore relating to the period June 12 to March 15) on 7% Cumulative Convertible Debentures

v. Interest of ₹ 1.83 Crore relating to the period September 13 to March 16 (previous year ₹ 3.27 Crore relating to the period September 13 to March 15) on overdraft facilities.

The Company continues to account for the interest obligations on various credit facilities as per the terms of CDR / the amended terms / as per the original terms of sanction as applicable.

2.9 SHORT TERM PROVISIONS

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Provision for employee benefits		
– Gratuity	**NIL**	0.49
– Leave Encashment	**0.04**	0.12
Provision for Income Tax	**1.48**	0.77
Total	**1.52**	1.38

2.10 FIXED ASSETS (CURRENT YEAR)

₹ in Crore

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2015	For the period Additions	Sale / Adjustment	**As at March 31, 2016**	As at April 1, 2015	For the period Additions	Sale / Adjustment	**As at March 31, 2016**	**As at March 31, 2016**	As at March 31, 2015
Tangible Assets										
Land – Freehold	0.23	Nil	Nil	**0.23**	Nil	Nil	Nil	**Nil**	**0.23**	0.23
– Leasehold	3.88	Nil	Nil	**3.88**	0.04	Nil	Nil	**0.04**	**3.84**	3.84
Buildings (Including Leashold)	92.21	1.63	(0.04)	**93.80**	15.62	1.77	(0.04)	**17.35**	**76.45**	76.59
Plant and Equipments	440.95	0.10	(13.84)	**427.21**	349.36	71.41	(11.06)	**409.71**	**17.50**	91.59
Furniture and Fixtures	32.27	0.58	(1.28)	**31.57**	23.16	1.39	(1.20)	**23.35**	**8.22**	9.11
Office Equipments	28.42	0.17	(0.29)	**28.30**	15.07	1.01	(0.16)	**15.92**	**12.38**	13.35
Computers	62.25	0.56	(19.60)	**43.21**	57.87	1.88	(17.38)	**42.37**	**0.84**	4.38
Networking Assets	347.29	0.09	(5.10)	**342.28**	307.50	23.37	(5.09)	**325.78**	**16.50**	39.79
Test and Repair Equipments	32.54	0.03	(0.14)	**32.43**	24.43	1.86	(0.15)	**26.14**	**6.29**	8.11
Vehicles	2.62	0.45	(0.41)	**2.66**	1.76	0.14	(0.35)	**1.55**	**1.11**	0.86
TOTAL	1,042.66	3.61	(40.70)	**1,005.57**	794.81	102.83	(35.43)	**862.21**	**143.36**	247.85
Intangible Assets										
Networking Software	28.03	0.03	Nil	**28.06**	26.94	0.29	Nil	**27.23**	**0.83**	1.09
Other than Networking Software	76.53	Nil	(0.01)	**76.52**	76.53	Nil	(0.01)	**76.52**	**Nil**	Nil
TOTAL	104.56	0.03	(0.01)	**104.58**	103.47	0.29	(0.01)	**103.75**	**0.83**	1.09
Capital work in progress	64.30	1.27	(65.34)	**0.23**	Nil	Nil	Nil	**Nil**	**0.23**	64.30
TOTAL	1,211.52	4.91	(106.05)	**1,110.38**	898.28	103.12	(35.44)	**965.96**	**144.42**	313.24
Total (Previous Year)	1,300.89	29.65	(119.02)	**1,211.52**	763.48	139.99	(5.19)	**898.28**	**313.24**	537.43

1. Gross block of building includes subscription towards share capital of co–operative societies amounting to ₹ 2,750/– and leased buildings amounting to ₹ 92.42 Crore.
2. Depreciation includes ₹ 2.25 Crore (Previous Year ₹ 7.48 Crore) for discontinued operations.
3. In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the year, carried out an exercise of identifying assets that many have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the year ended March 31, 2016
4. Capital work in progress of one of the Company's subsidiary of ₹ 63.71 Crore included in Sale / Adjustment Column has been written off during the year.

FIXED ASSETS (PREVIOUS YEAR)

(₹ in Crore)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				Impairment of Assets	NET BLOCK	
	As at April 1, 2014	For the period Additions	Sale / Adjustment	**As at March 31, 2015**	As at April 1, 2014	For the period Additions	Sale / Adjustment	**As at March 31, 2015**		**As at March 31, 2015**	As at March 31, 2014
Tangible Assets											
Land – Freehold	0.23	Nil	Nil	**0.23**	Nil	Nil	Nil	**Nil**	Nil	**0.23**	0.23
– Leasehold	3.89	Nil	Nil	**3.88**	0.04	Nil	Nil	**0.04**	Nil	**3.84**	3.85
Buildings (Including Leasehold)	91.56	0.79	(0.15)	**92.21**	14.02	1.64	(0.03)	**15.62**	Nil	**76.59**	77.54
Plant and Equipments	471.90	9.63	(40.59)	**440.95**	272.40	79.88	(2.91)	**349.36**	Nil	**91.59**	199.50
Furniture and Fixtures	31.77	1.22	(0.72)	**32.27**	22.22	1.54	(1.15)	**22.63**	0.53	**9.11**	9.55
Office Equipments	28.45	0.45	(0.48)	**28.42**	14.18	1.10	(0.22)	**15.06**	0.01	**13.35**	14.27
Computers	69.40	0.88	(8.03)	**62.25**	49.98	8.22	(0.48)	**57.72**	0.15	**4.38**	19.44
Networking Assets	345.70	1.62	(0.02)	**347.29**	275.11	32.44	(0.06)	**307.50**	Nil	**39.79**	70.59
Test and Repair Equipments	32.74	0.18	(0.38)	**32.54**	21.74	2.94	(0.26)	**24.42**	0.01	**8.11**	11.00
Vehicles	2.53	0.29	(0.21)	**2.62**	1.70	0.10	(0.04)	**1.76**	Nil	**0.86**	0.83
TOTAL	1,078.17	15.06	(50.58)	**1,042.66**	671.39	127.86	(5.15)	**794.11**	0.70	**247.85**	406.80
Intangible Assets											
Networking Software	27.93	0.11	Nil	**28.03**	24.94	2.04	(0.04)	**26.94**	Nil	**1.09**	2.99
Other than Networking Software	76.53	Nil	Nil	**76.53**	67.15	9.39	Nil	**76.53**	Nil	**Nil**	9.38
TOTAL	104.46	0.11	Nil	**104.56**	92.09	11.43	(0.04)	**103.47**	Nil	**1.09**	12.37
Capital Work–in–progress	118.26	14.48	(68.44)	**64.30**	Nil	Nil	Nil	**Nil**	Nil	**64.30**	118.26
TOTAL	1,300.89	29.65	(119.02)	**1,211.52**	763.48	139.29	(5.19)	**897.58**	0.70	**313.24**	537.43
Total (Previous Year)	1,259.02	69.01	(27.14)	**1,300.89**	640.94	126.72	(4.18)	**763.48**	Nil	**537.43**	618.09

1. Gross block of building includes subscription towards share capital of co–operative societies amounting to ₹ 2,750/– (Previous Year ₹ 2,750/–) and leased buildings amounting to ₹ 90.80 Crore (Previous Year ₹ 90.06 Crore).

2. Intangible assets includes internally generated software of ₹ 7.27 Crore (Previous Year ₹ 7.27 Crore)
3. Following amounts are included in "Sale & Adjustment column" in gross block and depreciation relating to Plant and Equipment:
   i) Capital Subsidy of ₹ Nil (Previous Year ₹ 7.63 Crore) and write back of depreciation of ₹ Nil (Previous Year ₹ 1.64 Crore) thereon.
   ii) Cost of assets relating to distribution franchisee (DF) activity of ₹ 27.55 handed over to MSEDCL on termination of DF agreement during the year and depreciation of ₹ 2.80 thereon.
4. Following amounts are included in "Sale & Adjustment column" in CWIP
   i) Cost of assets relating to distribution franchisee (DF) activity of ₹ 20.77handed over to MSEDCL on termination of DF agreement during the year.
   ii) Assets of ₹ 48.72 Crore (Previous Year ₹ NIL) written off during the year
5. Consequent to the enactment of the Companies Act, 2013 (the Act) applicable from April 01, 2014, the Company has reassessed the remaining useful life of fixed assets as per Schedule II to the Act. This has resulted in additional charge of depreciation of ₹ 26.54 Crore for year ended March 31, 2015.
6. Depreciation includes ₹ 1.90 Crore (Previous Year ₹ 0.60 Crore) for discontinued operations.
7. In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the year carried out an exercise of identifying assets that may have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management of Company's wholly owned subsidiary viz Ada Cellworks Wireless Engineering Private Limited Fixed Assets having WDV of ₹ 0.70 Crore (PY ₹ Nil) have been impaired and impairment loss of ₹ 0.70 Crore is charged to the Statement of Profit and Loss.

2.11 NON–CURRENT INVESTMENT

(₹ in Crore)

Particulars	Numbers	As at March 31, 2016	As at March 31, 2015
Trade			
Quoted			
Equity Shares of			
Associates			
GTL Infrastructure Ltd. (Face Value of ₹ 10/– each) (Refer Note No 2.11.3)	345,763,466 (345,763,466)	**591.55**	591.55
Less : Share of Loss		**(19.13)**	(19.22)
Total of Quoted Investments in Equity Shares – Trade	**(A)**	**572.42**	572.33
Un – quoted			
Equity Shares of			
Associates			
Global Rural Netco Ltd. (Face Value of ₹ 10/– each)	75,000,000 (75,000,000)	**75.00**	75.00
Less : Share of Loss		**(75.00)**	(57.37)
		NIL	17.63
Chennai Network Infrastructure Ltd. (Face Value of ₹ 10/– each) (Refer Note No 2.11.3)	1,700,742,399 (1,700,742,399)	**1,637.48**	1,637.48
		1,637.48	1,655.11
Others			
European Projects and Aviation Ltd. (Face Value of ₹ 10/– each)	12,350,000 (12,350,000)	**53.81**	53.81
Less: Diminution in value of Investment (refer note No. 2.11.4)		**(53.81)**	NIL
		NIL	53.81
Total of Un–quoted Investments in Equity Shares – Trade	**(B)**	**1,637.48**	1,708.92
Preference Shares of			
Associates			
6% Cumulative Redeemable Preference Shares of Global Rural Netco Ltd. (Face Value of ₹ 100/– each)	20,000,000 (20,000,000)	**200.00**	200.00
Less: Diminution in value of Investment (refer note No. 2.11.4)		**(200.00)**	NIL
		NIL	200.00
Others			
0.1% Cumulative Preference Shares of Global Proserv Ltd (Face Value of ₹ 100/– each)	13,000,000 (13,000,000)	**130.00**	130.00
Less: Diminution in value of Investment (refer note No. 2.11.4)		**(130.00)**	NIL
		NIL	130.00

(₹ in Crore)

Particulars	Numbers	As at March 31, 2016	As at March 31, 2015
0.1% 12 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each)	13,000,000 (13,000,000)	**13.00**	13.00
0.02% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each)	50,250,000 (50,250,000)	**50.25**	50.25
0.1% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹10/– each)	44,246,900 (44,246,900)	**241.48**	241.48
Less: Diminution in value of investment (refer note No. 2.11.4)		**(304.73)**	NIL
		NIL	434.73
Total of Un–quoted Investments in Preference Shares – Trade	**(C)**	**NIL**	634.73
Debenture of :			
Associates			
11% Fully Convertible Debenture Series – A Global Rural Netco Ltd. (Face Value of ₹ 100/– each)	15,000,000 (15,000,000)	**150.00**	150.00
Less: Diminution in value of Investment (refer note No. 2.11.4)		**(150.00)**	NIL
Total of Un–quoted Investments in Debentures – Trade	**(D)**	**NIL**	150.00
Total of Un–quoted Investments – Trade	**E= (B+C+D)**	**1,637.48**	2,493.65
Total of Investments – Trade	**F=(A+E)**	**2,209.90**	3,065.98
Other Investments – Non Trade			
5% Redeemable Preference Shares of City Windsor Ltd. Of $1 each	20,000,000 (20,000,000)	**132.31**	125.17
Less: Diminution in value of investment (refer note No. 2.11.4)		**(132.31)**	(45.00)
Total of Un – quoted Investments in Preference – Others	**(H)**	**NIL**	80.17
Total Investments	**I = (F + G +H)**	**2,209.90**	3,146.15

2.11.1 For basis of valuation Refer Point No. 7 of Note No. 1.3 of "Significant Accounting Policies on Consolidated Accounts".

2.11.2 Details of aggregate amount of quoted investment, market value thereof, aggregate amount of unquoted investment and provision for diminution:

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Aggregate amount of Quoted Investments	**572.42**	572.33
Market Value of Quoted Investments	**72.61**	67.42
Aggregate amount of Unquoted Investments	**2,608.33**	2,618.82
Provision for Diminution of Investment	**970.85**	45.00

2.11.3 The details of the Company's holding in its Associates as at March 31, 2016 are as follows:

Name of the Associate	% holding as at	
	March 31, 2016	March 31, 2015
GTL Infrastructure Limited	**14.80%**	14.87%
Chennai Network Infrastructure Limited	**25.79%**	25.79%
Global Rural Netco Limited	**42.86%**	42.86%

a. The Company has accounted its share in Global Rural Netco Limited (GRNL), an associate of the Company, as per (AS–23) Accounting for Investment in Associates in Consolidated Financial Statements. The share of loss attributable to percentage holding of the Company in the said associate till March 31, 2016 is ₹ 201.40 Crore. However the same is accounted and restricted to the extent of equity investment of ₹ 75.00 Crore held in the said associate, since, as stated in the note no 2.31.1 above, the Company continues to treat the liability under put option exercised by the financial institution in respect of optionally convertible loan of the associate as "Contingent Liability".

b. The Company has investments in associates, GTL Infrastructure Limited (GIL) and Chennai Network Infrastructure Limited (CNIL). The debts of GIL and CNIL were restructured under Corporate Debt Restructuring Package (CDR). The CDR imposes various financial restraints on these associates for transferring funds to the Company which in the opinion of the management constitutes severe long term restrictions, significantly impairing ability of these associates to transfer any funds to the Company as envisaged by AS–23 para 7(b). The Company has obtained legal opinion in this matter which also supports management's above view. The Company therefore has not accounted Share of Loss in GIL and CNIL in terms of AS –23 but accounted investment in these associates as per AS–13.

2.11.4 The Company holds non–current investments in associates and other entities operating in telecom and related business field.

The business activities of some of the above companies have been severely affected due to the downtrend in telecom industry, thereby resulting in substantial erosion of net worth of these companies. During the year under review, the management of the Company is of the opinion that provision of ₹ 838.54 Crore is required towards diminution in value of investment held by the Company in one of its associates and other entities.

Further amount of ₹ 84.46 Crore has been provided by one of the Company's wholly owned subsidiary towards diminution in value of investment held by the said subsidiary.

Total Provision of ₹ 923.00 Crore is shown as and included in "Exceptional Item".

In respect of long term investments held by the Company in its associates GTL infrastructure Limited and Chennai Network Infrastructure Limited, the carrying values of these investments are more than book values / market values. However, in the opinion of the management, provision for diminution in value of these investments is not required as such diminution is not other than temporary, considering the long term nature of these investments and future business prospects of these companies.

2.12 DEFERRED TAX LIABILITY / (ASSET)

2.12.1 (a) Composition of Deferred Tax Liability / (Asset) – Subsidiary Companies

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Related to Fixed Assets	**0.06**	(19.44)
Total	**0.06**	(19.44)

The above deferred tax asset has been recognized in the consolidated financial statements considering certainty of future taxable income against which deferred tax asset can be realized.

(b) Composition of Deferred Tax Asset – the Company

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Relating to:		
a) Fixed Assets	**(20.76)**	(5.03)
b) Expenses where deduction is available on payment basis	**(791.06)**	(101.37)
c) Unabsorbed Depreciation	**(136.12)**	(132.81)
Total Net	**(947.94)**	(239.21)

2.12.2 The Company has a Deferred Tax Asset of ₹ 947.94 Crore as on March 31, 2016 (₹239.21 Crore as on March 31, 2015). In the absence of reasonable certainty of sufficient future taxable income against which Deferred Tax Asset can be realized, the same is not recognised in accordance with AS 22 on Accounting for Taxes on Income issued by ICAI.

2.13 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good, unless otherwise stated)

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Advances to Suppliers (Refer Note No. 2.13.1)	**1,541.85**	1,532.48
Less : Provision for doubtful advance to suppliers	**(1,003.83)**	(190.34)
Advance to Suppliers (Net of Provision)	**538.02**	1,342.14
Capital Advances	**0.07**	0.08
Other Advances	**192.79**	192.79
Security Deposits	**10.32**	7.66
Advance Income Tax & Tax Deducted at source (Net of provision)	**15.00**	9.24
Total	**756.20**	1,551.91

2.13.1 The Company in the past years had paid advances for procurement of material to execute large telecom projects such as BSNL mega tenders, Aircel and other telecom projects. In view of discontinuation of these projects, the Company was forced to cancel the procurement of material and initiate steps to recover these advances. The Company successfully negotiated with its suppliers and recovered part of the advances. As part of negotiated terms, the Company was required to assist the suppliers for procuring Bank Guarantees / SBLC. The Company was unable to meet this requirement resulting in suppliers raising disputes. Considering the present status of negotiations with suppliers; additional provision of ₹ 813.49 Crore is made during the year towards these advances as a prudent accounting practice.

2.14 CURRENT INVESTMENTS

(₹ in Crore)

Particulars	Number of units	As at March 31, 2016	As at March 31, 2015
Un–quoted Mutual Funds of			
J P Morgan India Liquid Fund – Growth Plan	NIL (8,995,603)	**NIL**	15.73
DSP BlackRock Liquidity Fund – Growth Plan	NIL (26,354)	**NIL**	5.08
Total		**NIL**	20.81

2.14.1 For basis of valuation Refer Point No. 7 of Note No. 1.3 of “Significant Accounting Policies on Consolidated Accounts”.

2.14.2 Details of aggregate amount of quoted investment, market value thereof and aggregate amount of unquoted investment:

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Aggregate amount of quoted investments	**NIL**	NIL
Market Value of quoted investments	**NIL**	NIL
Aggregate amount of unquoted investments	**NIL**	20.81

2.15 INVENTORIES

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Stock–in–trade held for trading	**2.61**	94.61
Work in Progress	**8.31**	0.35
Consumables	**NIL**	3.30
Total	**10.92**	98.26

2.15.1 For basis of valuation Refer Point No. 8 of Note No. 1.3 of “Significant Accounting Policies on Consolidated Accounts”.

2.15.2 Stock–in–trade held for trading of ₹ 2.33 Crore as on commencement of the year pertains to discontinued business activity.

2.16 TRADE RECEIVABLES (Unsecured)

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade receivables outstanding for a period exceeding six months from the due date of the payment		
Considered good	**159.75**	486.49
Considered doubtful	**475.22**	215.08
Less: Allowance for doubtful trade receivables	**(475.22)**	(215.08)
Subtotal	**159.75**	486.49
Other trade receivables		
Considered good	**52.69**	64.34
Total	**212.44**	550.83

2.16.1 In respect of trade receivable of ₹ 198.47 Crore (₹ 187.76 Cr) due to the Company’s wholly owned subsidiary International Global Tele–Systems Limited (“subsidiary”) , a customer had not honored its commitment on the agreed dates. The said receivable was covered by an insurance policy which was assigned in favour of the Bank as security for the facility availed by the subsidiary. The insurance company has also not settled the claim. The subsidiary has appointed an arbitrator to resolve the issues between itself and the customer. The process of the arbitration is still under progress. As a prudent practice, the Company has provided fully for the above trade receivable in the financial statements.

2.16.2 The Company has sought the balance confirmations from the customers and has received such confirmations from some customers. In respect of remaining customers, balances are subject to confirmation and appropriate adjustment, if necessary, will be considered in the year of reconciliation.

2.17 CASH AND BANK BALANCES

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
1) Cash & Cash Equivalents		
a) Balance with Banks	**91.09**	108.82
b) Cash on Hand	**0.36**	1.09
c) Balance with Banks in unpaid dividend account*	**0.46**	0.59
d) Earmarked balances with banks	**NIL**	NIL
Sub–Total	**91.91**	110.50
2) Other Bank Balances		
Balances with Bank held as margin money**	**26.95**	28.85
Total	**118.86**	139.35

*These balances are available for settlement of corresponding unpaid dividend liabilities.

**Includes ₹ 1.63 Crore (₹ 0.29 Crore) having maturity after 12 months.

2.18 SHORT TERM LOANS and ADVANCES (Unsecured, Considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Deposits	**13.49**	10.04
Less: Provision for doubtful Deposits	**(2.38)**	(2.52)
Deposits (Net of provision)	**11.11**	7.52
Income Tax refund receivable	**0.48**	0.34
Prepaid Expenses	**2.33**	4.95
Input Tax Recoverable	**18.63**	11.35
Advance to Suppliers	**235.47**	263.92
Less: Provision for doubtful Advance to Suppliers	**(0.66)**	(15.41)
Advance to Suppliers (Net of provision)	**234.81**	248.51
Interest receivable	**46.28**	48.60
Less: Provision for doubtful interest receivable	**(45.91)**	NIL
Interest receivable (net of provision)*	**0.37**	48.60
Loans and Advances to employees	**4.25**	3.04
Less: Provision for doubtful Loans & Advances to employees	**(0.46)**	(0.79)
Loans & Advances to employees (Net of Provision)	**3.79**	2.25
Preference Share Application Money (Refer Note No. 2.18.1)	**66.16**	62.58
Others**	**249.45**	111.97
Total	**587.13**	498.07

* Includes ₹ 26.54 Crore (Previous Year ₹ 22.42 Crore) receivable from related party.

** Includes amount of ₹ 243.90 Crore (previous year ₹ 108.40) receivable from European Projects and Aviation Ltd. (EPAL) which was required to be paid to Bankers of EPAL under Sponsor agreement / performance guarantee in connection with credit facilities provided to EPAL.

2.18.1 The Company's subsidiary had made application for subscription towards 5% redeemable preference shares of Global Infrastructure Services Limited of USD 1/– each amounting to USD 10 mn equivalent to ₹ 66.16 Crore (Previous year USD 10 mn – equivalent to ₹ 62.58 Crore) for which allotment is pending.

2.19 OTHER CURRENT ASSETS

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Unbilled Revenue	**60.32**	92.37
Receivable on account of sale of subsidiary	**17.20**	NIL
Receivable towards reimbursable of cost / expenses considered good	**12.30**	10.94
Less: Provision for Receivable towards reimbursable of cost/ expenses	**(10.73)**	(1.17)
Receivable towards reimbursable cost / expense (Net of Provision)	**1.57**	9.77
Claims receivables – DF (Net) (refer note 2.19.1 & 2.19.2)	**43.83**	254.59
Total	**122.92**	356.73

2.19.1 During the previous year Distribution Franchisee (DF) agreement between the Company and MSEDCL got terminated. The reconciliation and settlement of several claims of the Company and MSEDCL are still under process. The assets relating to DF activity comprising of plant and equipment s, trade receivables, inventory and unbilled amount to consumers on the date of termination on distribution franchisee agreement will be adjusted against the amount due to MSECDL. Pending reconciliation of the claims and consequent adjustment thereof, these amounts are considered as "Claim Receivable – DF"

2.19.2 "Claims Receivable–DF" of ₹ 43.83 Crore is after adjustment of Trade Payables liability to MSEDCL of ₹ 210.76 Crore.

2.20 The "Operation Maintenance and Energy Management" (OME) activity (the part of Network Services) which was being considered as discontinuing operation since the quarter ended September 2015 till quarter ended December 31, 2015. The definitive agreement for the sale of said activity has lapsed during the last quarter of the financial year. Accordingly the continuing operation for the year is inclusive of the said activity.

2.21 REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of Products		
Telecom Products	**40.97**	244.24
Sale of Services		
Telecom Services	**507.08**	353.35
Revenue from Turnkey Projects		
Telecom Projects	**89.58**	NIL
Revenue from Energy Management Services	**1,045.56**	1,077.06
Other Operating Revenues	**NIL**	0.04
Total	**1,683.19**	1,674.69

2.22 OTHER INCOME

(₹ in Crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income:		
from Bank Deposits	**1.58**	3.42
from Others	**4.50**	22.10
Profit on sale of Current Investments (Net)	**2.99**	7.54
Gain on Foreign Currency Transactions (Net)	**19.62**	26.29
Profit on sale of fixed assets (Net)	**0.23**	0.57
Lease and Rent Income	**2.73**	2.75
Other Non–Operating Income*	**8.95**	28.13
Total	**40.60**	90.80

*Other Non–Operating Income includes liabilities no longer payable written back of ₹ 6.65 Crore (Previous Year ₹ 20.81 Crore)

2.23 COST OF PURCHASES / SERVICES

(₹ in Crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Purchase of Stock in Trade		
Telecom Products	**136.47**	221.64
Total of Purchase of Stock in Trade	**136.47**	221.64
Purchase of Material (Other than for trade) and Services		
Electricity, Diesel cost for Energy Management	**527.17**	892.20
Sub–Contractor Charges	**583.13**	117.40
Vehicle Hire Charges – Projects	**29.44**	20.33
Total of Purchase of Material (Other than for trade) and Services	**1,139.74**	1,029.93
Total	**1,276.21**	1,251.57

2.24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK–IN–PROGRESS AND STOCK–IN–TRADE

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016		For the Year ended on March 31, 2015	
Inventories (at close)				
Work in Process	8.31		0.35	
Stock in Trade	2.61		92.28	
Spares and Consumables	NIL	10.92	3.30	95.93
Inventories (at commencement)				
Work in Process	0.35		46.20	
Stock in Trade	92.28		67.46	
Spares and Consumables	3.30	95.93	7.16	120.82
Total		**85.01**		24.89

*Since the inventory of "Stock in Trade" of ₹ 2.33 Crore of the Company pertains to discontinued business activity, the increase / decrease therein is not considered in the above note.

2.25 EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries (Refer Note No. 2.25.1)	**127.90**	141.09
Contribution to Provident and Other Funds	**3.24**	4.98
Staff Welfare Expenses	**8.17**	7.15
Outsourced Manpower Cost	**81.24**	78.32
Total	**220.55**	231.54

2.25.1 Salaries and allowances include remuneration to whole time director of the Company, appointed during the previous year, of ₹ 0.15 Crore (previous year ₹ 0.04 Crore) which is subject to the approval of Central Government.

2.25.2 Disclosure of Employee Benefits as defined in Accounting Standard 15 "Employee Benefit":

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

(₹ in Crore)

Particulars		Gratuity				Compensated Absences			
		(Funded)		(Unfunded–International)		(Unfunded)		(Unfunded – International)	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Defined Benefit Obligation at beginning of the period	(A)	**5.69**	6.52	**4.58**	3.74	**1.45**	1.99	**0.06**	0.09
Current/past Service Cost	(B)	**0.49**	0.75	**2.83**	3.14	**0.12**	0.36	**NIL**	NIL
Current Interest Cost	(C)	**0.45**	0.61	**NIL**	NIL	**0.12**	0.19	**NIL**	NIL
Actuarial (gain) / loss	(D)	**0.01**	1.14	**NIL**	NIL	**0.11**	0.09	**NIL**	NIL
Exchange variance	(E)	**NIL**	NIL	**0.26**	0.17	**NIL**	NIL	**0.01**	0.01
Less : Benefits paid	(F)	**1.94**	3.33	**2.82**	2.47	**0.64**	1.18	**0.04**	0.02
Defined Benefit Obligation at end of the period (A+B+C+D–E–F)		**4.70**	5.69	**4.85**	4.58	**1.16**	1.45	**0.03**	0.06

ii) Reconciliation of opening and closing balances of fair value of the plan assets

(₹ in Crore)

Particulars		Gratuity (Funded) As at March 31, 2016	Gratuity (Funded) As at March 31, 2015
Fair Value of Plan asset at beginning of period	(A)	**5.20**	6.51
Expected Return on Plan Assets	(B)	**0.42**	0.61
Actuarial gain/ (loss)	(C)	**(0.04)**	(0.07)
Contributions	(D)	**1.11**	1.50
Less : Benefits paid	(E)	**1.94**	3.35
Fair Value of Plan asset at the end of period (A+B+C+D–E–F)		**4.75**	5.20

iii) Reconciliation of present value of obligations and fair value of plan assets

(₹ in Crore)

Particulars	Gratuity				Compensated Absences			
	(Funded)		(Unfunded–International)		(Unfunded)		(Unfunded–International)	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Fair Value of Plan asset at the end of Year	**4.75**	5.20	**NIL**	NIL	**NIL**	NIL	**NIL**	NIL
Present value of Defined Benefit Obligation at end of the Year	**4.70**	5.69	**5.21**	4.58	**1.16**	1.45	**0.03**	0.06
Liability/ (Asset) recognized in the Balance Sheet	**(0.05)**	0.49	**5.21**	4.58	**1.16**	1.45	**0.03**	0.06

iv) Expense recognized during the year

(₹ in Crore)

`		Gratuity				Compensated Absences			
		(Funded)		(Unfunded–International)		(Unfunded)		(Unfunded–International)	
		For the Year ended on March 31, 2016	For the Year ended on March 31, 2015	**For the Year ended on March 31, 2016**	For the Year ended on March 31, 2015	**For the Year ended on March 31, 2016**	For the Year ended on March 31, 2015	**For the Year ended on March 31, 2016**	For the Year ended on March 31, 2015
Current Service Cost	(A)	**0.49**	0.75	**2.83**	3.14	**0.12**	0.36	**NIL**	NIL
Interest Cost*	(B)	**0.45**	0.00	**NIL**	NIL	**0.12**	0.19	**NIL**	NIL
Expected Return on plan Assets	(C)	**(0.42)**	NIL	**NIL**	NIL	**NIL**	NIL	**NIL**	NIL
Actuarial (gain) / loss	(D)	**0.05**	1.21	**NIL**	NIL	**0.11**	0.09	**NIL**	NIL
Net Cost recognised in Profit and Loss Account (A+B+C+D)		**0.57**	1.96	**2.83**	3.14	**0.35**	0.64	**NIL**	NIL

* Refer Note no. 2.37 for rounding off

v) Amounts for current and previous four years are as follows:

(₹ In Crore)

Gratuity (Funded)	2015–16	2014–15	2013–14	2012–13	2011–12
Defined Benefit Obligation	**4.70**	5.69	6.53	6.64	6.77
Plan Assets	**4.75**	5.20	6.51	3.96	2.05
Surplus / (Deficit)	**0.05**	(0.49)	(0.02)	(2.68)	(4.72)
Experience adjustments on plan assets	**(0.04)**	(0.07)	0.07	0.06	(0.34)
Experience adjustments on plan liabilities	**0.03**	1.21	0.10	(0.41)	1.09

vi) Amounts for current and previous four years are as follows:

(₹ in Crore)

Compensated Absences (Unfunded)	2015–16	2014–15	2013–14	2012–13	2011–12
Defined Benefit Obligations	**1.16**	1.45	1.99	1.93	2.59
Plan Assets	**NIL**	NIL	NIL	NIL	NIL
Surplus / (Deficit)	**(1.16)**	(1.45)	(1.99)	(1.93)	(2.59)
Experience Adjustment on Plan Assets (Gain) / Loss	**NIL**	NIL	NIL	NIL	NIL
Experience Adjustment on Plan Liabilities (Gain) / Loss	**0.12**	0.06	0.47	(0.01)	1.14

Defined benefit obligations (Unfunded– International)	2015–16	2014–15	2013–14	2012–13	2011–12
Gratuity	**4.85**	4.58	3.74	3.42	3.03
Compensated Absences	**0.03**	0.06	0.09	0.03	0.03

vii) Assumptions used to determine defined benefit obligation

(₹ in Crore)

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Discount Rate (p.a.)	**8.04%**	9.31%	**8.04%**	9.31%
Estimated rate of return on plan assets (p.a.)	**8.04%**	9.31%	**NIL**	NIL
Expected rate of increase in salary (p.a.)	**5.50%**	5.50%	**5.50%**	5.50%

Mortality rate is as per Indian Assured Lives Mortality (2006–08) Ultimate table.

The expected rate of increase in salary for actuarial valuation is based on consideration of inflation, seniority, promotion, attrition and other relevant factors including supply and demand in the employment market. The above information is as per the certificate obtained from Actuary.

2.26 FINANCE COSTS

(₹ in Crore)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest on Borrowings	**551.68**	520.29
Less : Waiver of Interest	**NIL**	(37.27)
Other Borrowing costs	**3.03**	5.59
Exchange difference to the extent considered as an adjustment to Borrowing Cost as per Accounting Standard (AS–16) – Borrowing Cost	**26.60**	28.19
Total	**581.31**	516.80

2.27 OTHER EXPENSES

(₹ in Crore)

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
Consumption of Stores and Spares (Refer Note No. 2.27.1)		**NIL**	0.01
Communication Expenses		**3.49**	2.90
Advertisement Expenses		**0.09**	3.49
Business Promotion Expenses		**6.17**	4.53
Discounts and Commission		**NIL**	0.01
Freight Charges		**0.01**	0.00
Rates and Taxes [including Wealth tax]		**0.76**	1.53
Rent		**7.14**	7.00
Electricity Charges		**2.64**	2.03
Insurance		**1.89**	1.27
Legal and Professional Fees		**21.85**	6.94
Travelling and Conveyance Expenses		**9.49**	4.91
Director's Sitting Fees		**0.27**	0.04
Auditor's Remuneration		**0.82**	0.68
Repairs and Maintenance – Buildings		**NIL**	0.06
Repairs and Maintenance – Plant and Machinery		**NIL**	0.01
Repairs and Maintenance – Others		**2.78**	3.15
Bad Debts Written off	**NIL**		14.98
Provision Written back	**(0.33)**		(8.53)
		(0.33)	6.45
Provision for Doubtful Trade Receivables		**349.25**	172.79
Provision for Doubtful Receivables – Others		**45.76**	53.58
Provision for doubtful advances		**NIL**	15.69
Other Expenses		**41.51**	52.72
Total		**493.59**	339.78

2.27.1 Details of Consumption of Stores and Spares

(₹ in Crore)

Particulars	Apr 15 – Mar 16		Apr 14 – Mar 15	
	Amount	**%**	**Amount**	**%**
Indigenous Goods	NIL	NIL	0.55	100%
Imported Goods	NIL	NIL	NIL	NIL

2.28 EXCEPTIONAL ITEMS

(₹ in Crore)

Particulars		**For the Year ended on March 31, 2016**	For the Year ended on March 31, 2015
Claim received from Aircel	NIL		345.00
<u>Less:</u> Vendor Claims paid	NIL		(245.71)
Net Claim		**NIL**	99.29
Remission of Principal Liability of ECB		**NIL**	42.49
Provision for :			
Doubtful advances to suppliers	(820.07)		(136.00)
Fixed assets written off	(67.66)		Nil
Diminution in value of Investment	(923.00)	**(1,810.73)**	(45.00)
Total		**(1,810.73)**	(39.22)

a. During the year an assessment of carrying values of long term investments was carried out and amount of ₹ 923.00 crores (previous year ₹ 45.00 crores) has been provided for towards its diminution and the same is considered as an exceptional item, comprising of the investment held by the Company of ₹ 838.54 crores and the Company's subsidiaries ₹ 84.46 crores.

b. The Company and its subsidiary companies had made advance payments to its suppliers for procurement of material. The downturn in the telecom industry has substantially affected business operations and therefore the Company took conscious decision for not procuring material against the said advances. The suppliers also made claims against the Company for losses incurred by them for not procuring materials as per the contracts. The Company and the suppliers had a series of meetings for arriving at a amicable solution to resolve the dispute. Under the current circumstances, the Company has done a fair value of the said advances based on expected realization and accordingly as a conservative accounting practice, a provision of ₹ 820.07 crores (previous year ₹ 136.00 crores) has been made in the books, which is included in the exceptional items comprising of Doubtful advances to suppliers by the Company of ₹ 270.00 crores and the Company's subsidiaries ₹ 550.08 crores.

c. The Company's wholly owned subsidiary had procured certain assets in the past for providing network service to its customers. Since the installation of these assets were not completed the same were part of capital work in progress. Due to the downturn in the telecom industry, the Company decided not to use the said assets and also lost its realizable value. In view of this situation, the said assets of ₹ 67.66 Crores under CWIP have been written off during the year.

2.29 TAX EXPENSE

(₹ in Crore)

Particulars	**For the year ended March 31, 2016**	For the year ended March 31, 2015
Current Income Tax	**10.78**	5.32
Deferred taxes	**2.23**	0.01
Total	**13.01**	5.33

2.30 DISCONTINUED OPERATIONS :

The Company discontinued its Power EPC Business and Power Distribution Business, part of Power Management Segment during the current year and previous year respectively. With this discontinuation, the Power Management segment stands discontinued.

Pending reconciliation / settlement with MSEDCL and related dispute, following are the disclosures pertaining to Power Management Business as required by Accounting Standard (AS) 24 – Discontinuing Operations.

(₹ in Crore)

Particulars	For the Year ended on March 31, 2016			For the Year ended on March 31, 2015		
	Continuing Operations	**Discontinued operations**	**Total**	Continuing Operations	Discontinued operations	Total
Revenue from operations	**1,683.19**	**23.96**	**1,707.15**	1,674.69	821.24	2,495.93
Less: Excise Duty	**NIL**	**NIL**	**NIL**	NIL	NIL	NIL
	1,683.19	**23.96**	**1,707.15**	1,674.69	821.24	2,495.93
Other Income	**40.60**	**78.99**	**119.59**	90.80	0.48	91.28
Total Revenue	**1,723.79**	**102.95**	**1,826.74**	1,765.49	821.72	2,587.21
Expenses:						
Cost of Purchases/Services	**1,276.21**	**8.71**	**1,284.92**	1,251.57	888.96	2,140.53
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	**85.01**	**2.33**	**87.34**	24.89	(1.17)	23.72
Employee benefits expenses	**220.55**	**10.61**	**231.16**	231.54	54.35	285.89
Finance Costs	**581.31**	**0.49**	**581.80**	516.80	3.99	520.79
Depreciation and amortization expense	**100.85**	**2.25**	**103.10**	132.51	7.48	139.99
Other expenses	**493.59**	**27.13**	**520.72**	339.78	71.96	411.74
Total Expenses	**2,757.52**	**51.52**	**2,809.04**	2,497.09	1,025.57	3,522.66
Profit / (Loss) before exceptional and extraordinary items and tax	**(1,033.73)**	**51.43**	**(982.30)**	(731.60)	(203.85)	(935.45)
Exceptional Items	**(1,810.73)**	**(90.61)**	**(1,901.34)**	(39.22)	(113.49)	(152.71)
Profit / (Loss) before tax	**(2,844.46)**	**(39.18)**	**(2,883.64)**	(770.82)	(317.34)	(1,088.16)
Tax expense:						
Current tax	**10.78**	**NIL**	**10.78**	5.32	0.80	6.12
Short Provision for Income Tax for earlier years	**NIL**	**NIL**	**NIL**	NIL	NIL	NIL
Deferred tax Liability / (Asset)	**2.23**	**18.84**	**21.07**	0.01	9.34	9.35
Profit / (Loss) from the year after Tax	**(2,857.47)**	**(58.02)**	**(2,915.49)**	(776.15)	(327.48)	(1,103.63)
Less : Minority Interest	**0.06**	**NIL**	**0.06**	0.55	NIL	0.55
Add : Share of Profit / (Loss) in associates	**(17.63)**	**NIL**	**(17.63)**	(11.81)	NIL	(11.81)
Profit/(Loss) for the year	**(2,875.04)**	**(58.02)**	**(2,933.06)**	(787.41)	(327.48)	(1,114.89)

As at March 31, 2016, the carrying amount of assets and liabilities pertaining to discontinued operations is ₹305.78 Crore (Previous year ₹ 383.35 Crore) and ₹ 225.48 Crore (Previous year ₹ 322.90 Crore) respectively.

The net cash flows attributable to the discontinued operations are stated below :

Particulars	**As at March 31, 2016**	As at March 31, 2015
Operating Activity	**(29.73)**	(117.17)
Investing Activity	**0.11**	(22.70)

2.31 CONTINGENT LIABILITIES AND COMMITMENTS:

2.31.1 Contingent Liabilities

(₹ in Crore)

Sr. No	Particulars	**As at March 31, 2016**	As at March 31, 2015
i	Claims against the Company not acknowledged as debts*	**321.63**	321.43
ii	Put option by IFCI on optionally convertible loan of GRNL (including interest accrued thereon of ₹ 51.04 Crore (₹ 37.54 Crore))**	**151.04**	137.54
iii	Guarantees given by Banks on behalf of the Company	**45.18**	65.75

(₹ in Crore)

Sr. No	Particulars	As at March 31, 2016	As at March 31, 2015
iv	Performance Guarantees issued to banks on behalf of Subsidiaries / Associates and Affiliates	**5.00**	5.00
v	Corporate Guarantees given by the Company for loans taken by subsidiaries / others	**590.39**	581.20
vi	Disputed Sales tax liabilities for which appeals are pending (Net of amount deposited ₹1.99 Crore (₹ 0.91 Crore))	**9.65**	11.44
vii	Disputed Income tax liabilities for which appeals are pending	**10.96**	12.02
viii	Dividend on 0.01% Non–Participative Optionally Convertible Cumulative Preference Share	**0.23**	0.16
Future cash outflows in respect of the above matters are determinable only on receipt of judgments or decisions pending at various forum.			

*As on March 31, 2016, there were 32 cases against the Company, pending in various Courts and other Dispute Redressal Forums.

In 10 out of 32 cases, the Company has been implicated as proforma defendant i.e. there is no monetary claim against the Company. In most of these cases dispute is concerning the matters like loss of share certificate, title claim / ownership / transfer of the shares etc. The Company's implication in these matters is with a view to protect the interest of the lawful owners of the shares. Upon the final orders passed by the Court(s), the Company shall have to release the shares, which are presently under 'stop transfer', in this regard to the rightful claimants. There is no direct liability or adverse impact on the business of the Company on account of the said 10 cases.

Out of the balance 22 cases, 14 cases are from its earlier power business and 7 cases are from telecom related businesses which are handled by the Company's Advocates, who have the necessary expertise on the subject. It is found that in most of the cases the claims are frivolous, highly exaggerated and without any basis and therefore the Company is resisting and defending these claims. The contingent liability of these 21 cases is ₹ 1.18 Crore (excludes amount of ₹ 1.18 Crore involved in one of the cases which is included in bank guarantees given by banks at serial no. iii above)

Holder of NCD issued by the company has filed winding up petition against the Company before Hon'ble High Court of Bombay on January 22, 2015 inter– alia claiming recovery of dues of ₹ 1,858.46 Crore. Contingent Liability of ₹ 98.09 Crore represents difference between amount claimed by NCD holders and amount accounted by the Company in the books as on 30th Spetember,2014 of ₹ 1,760.37Crore based on the amended terms on 22nd March,2014. Presently the matter is sub–judice.

** The put option given by the Company in respect of Optionally Convertible Loan (OCL) of ₹ 100.00 Crore raised by Global Rural Netco Ltd. one of its associates from a Financial Institution has been exercised by the said Institution. It has also filed winding up petition against the Company & Company's associate which is yet to be admitted. The Company's associate has approached the said financial institution to work out possible solutions. The Company, as per the terms and conditions of Master Restructuring Agreement (MRA), has not received prior approval of CDR Lenders / CDR EG for accepting liability under put option. The Company, therefore, continues to treat the liability under put option as a "Contingent Liability"

2.31.2 COMMITMENTS:

2.31.2.1 Estimated amount of contracts remaining to be executed

(₹in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) (Cash out flow is expected on execution of such contracts on progressive basis.)	**NIL**	1.24

2.31.2.2 Other Commitments

a) GTL Infrastructure Ltd (GIL) is an associate of the Company. The Company's equity shareholding in GIL, as at Balance Sheet date, is 14.80% (14.87%). As a promoter of GIL, the Company has furnished following undertakings in respect of credit facilities of ₹ 2,004.45 Crore (₹ 2,004.45 Crore) then sanctioned by various lending institutions for GIL's second phase project of setting up of telecom sites.

   i) The Company along with Global Holding Corporation Private Limited (GHC) an associate shall not reduce the shareholding in GIL below 26%. The Company shall retain the management control of GIL.

ii) The Company shall bring or arrange Equity/ Preference Capital as envisaged by Phase II lenders.

iii) In case of cost overrun or shortfall, the Company shall bring and / or arrange additional capital within a period of 90 days from written demand by Creditor's Agent either in form of Equity or preference or subordinated loans.

iv) The Company shall ensure that GIL will not abandon the Project during the currency of Phase II loans.

v) The Company shall ensure that GIL is provided with requisite technical, financial and managerial expertise to perform / discharge its obligation under the project.

b) The Company's equity shareholding in European Projects and Aviation Limited (EPAL) (Formerly known as Global Projects and Aviation Private Limited (GPAL)) as at Balance Sheet date is 19% (19%). EPAL has been sanctioned Working capital line of credit of ₹ 500 Crore and the current outstanding amount is ₹ 86.30 Crore. The Company has furnished various undertakings for the above referred line of credit which inter alia provide as under:

i) The Company along with its associate Global Holding Corporation Private Limited (GHC) shall not reduce the shareholding in EPAL below 51%. The Company shall retain the management control of EPAL during the tenor of credit facilities.

ii) The Company, along with its associate GHC, shall ensure conversion of Redeemable Preference Shares issued by EPAL in to Equity Shares or compulsorily convertible instrument or shall ensure that the same shall be redeemed out of infusion of fresh equity or compulsorily convertible instrument by the Sponsors.

iii) The Company shall contribute towards the shortfall in the funds required by EPAL to complete the projects as defined in terms and conditions of credit facilities.

c) Chennai Network Infrastructure Limited (CNIL) is an associate of the Company. The Company's equity shareholding as at March 31, 2016 is 25.79% (25.79%). As sponsors to CNIL, the Company along with its associates Global Holding Corporation Private Limited and GTL Infrastructure Limited have agreed to hold and maintain at least 26% and to further contribute in the form of equity in future, if required to meet needs of CNIL and to replenish Debt Service Account Letter of Credit (DSRA LC), in the event DSRA LC is invoked by the lenders.

d) The CDR lenders of the Company have right to recompense in respect of relief extended and sacrifices made by them of ₹ 555.87 Crore as per Master Restructuring Agreement (MRA). Such right is exercisable by CDR lenders based on criterias / conditions as detailed in the MRA.

2.32 SEGMENT INFORMATION

In terms of Accounting Standard 17 on Segment Reporting, the Company has two reporting segments i.e. Network Services & Power Management. Geographical revenues are segregated based on the location of the respective clients. USA includes specific billing in North America, Asia/Europe comprises all Asian countries including India and Europe includes continental Europe (both east and the west) and the United Kingdom; Middle East and others include all other places except those mentioned above.

(₹ in Crore)

Particulars	2015–2016	2014–2015
Segment Revenue		
1. Network Services	**1,705.86**	1,780.91
2. Power Management	**1.29**	715.02
Total Segment Revenue	**1,707.15**	2,495.93
Segment Results (Profit Before Interest And Tax)		
1. Network Services	**(425.44)**	(271.66)
2. Power Management	**(19.76)**	(193.07)
Sub–Total	**(445.20)**	(464.73)
Less: Interest Expenses (Net–off Interest Income)	**581.80**	520.79
Less: Un–allocable Corporate Expenditure net of income	**(44.70)**	(50.08)

(₹ in Crore)

Particulars	2015–2016	2014–2015
Profit / (Loss) before Tax and exceptional items	**(982.30)**	(935.44)
Exceptional items	**(1,901.35)**	(152.72)
Profit / (Loss) after exceptional items before tax	**(2,883.65)**	(1,088.16)
Less : Tax Expenses	**(31.84)**	(15.47)
Profit / (Loss) after tax	**(2,915.49)**	(1,103.63)
Capital Employed (Segment Assets Less Segment Liabilities)		
1 Network Services	**1,236.45**	2,362.09
2 Power Management	**80.29**	89.92
Total Capital Employed in the segments	**1,316.74**	2,452.01
Un–allocable Corporate Assets Less Liabilities:		
– Investments	**2,209.90**	3,166.96
– Other Than Investment	**340.79**	552.26
Total Capital Employed	**3,867.43**	6,171.22

Notes:

i Segments have been identified in accordance with Accounting Standard (AS) 17 on Segment Reporting, considering risk / return profiles of the business, their organizational structure and the internal reporting system.

ii Segment Definition: Network Services comprises of Network Planning & Design, Network Deployment, Professional Services, Energy Management, Operational and Maintenance and Infrastructure Management. "Power Management" comprises Power Project – EPC and Power Distribution Franchise.

iii Segment Revenue comprises of sales and services and operational income allocable specifically to a segment. Un–allocable expenditure mainly includes expenses incurred on common services provided to segments and other corporate expenses.

Geographical Segment

(₹ in Crore)

Particulars	USA	Asia / Europe	Middle East	Others	Total
Sales & Services (Apr'15 to Mar'16)	0.37	1,685.60	48.18	NIL	1,707.15
Sales & Services (Apr'14 to Mar'15)	106.20	2,337.12	51.79	0.82	2,495.93

2.33 RELATED PARTY DISCLOSURES

2.33.1 Related Parties

I Associates

a) GTL Infrastructure Limited

b) Global Rural Netco Pvt. Ltd.

c) Chennai Network Infrastructure Ltd.

d) Global Holding Corporation Private Limited

II Key Managerial Personnel

a) Mr. Manoj Tirodkar, Chairman and Managing Director

b) Mr. Sunil S. Valavalkar – Whole Time Director

c) Mr. Vidyadhar Apte, Company Secretary

d) Mr. Milind Bapat, Chief Financial Officer

2.33.2 Transactions with Related Party

₹ in Crore

Sr. no.	Party Name	Transaction during the year April2015 to March 2016									Closing Balance as on 31–Mar–2016						
		Sales & Services	Reimbursement Expenses from	Reimbursement Expenses to	Interest Income	Rent received	Purchase of Fixed Assets	Sale of Fixed Assets	Salaries and Allowances	Contribution to Providend and Other Funds	Deposit Received	Receivable towards Bank claim paid by the Company	Receivables	Receivables towards Reimbursable cost / expense	Advance received / Accrued Receivables	Provision towards EB	Payables (incl. Advance received)
1	Associates																
1a	GTL Infrastructure Limited	352.11	2.40	115.50	NIL	2.51	0.10	0.12	NA	NA	2.16	NIL	19.57	1.72	27.25	1.32	3.81
		(354.69)	(0.72)	(152.64)	(NIL)	(2.54)	(NIL)	(0.14)	(NA)	(NA)	(2.16)	(NIL)	(7.63)	(1.07)	(28.13)	(14.08)	(0.37)
1b	Global Rural Netco Pvt. Ltd.	NIL	0.15	0.85	4.11	0.20	NIL	0.00	NA	NA	NIL	NIL	5.13	2.20	NIL	NIL	NIL
		(0.16)	(0.32)	(1.62)	(16.50)	(0.19)	(NIL)	(NIL)	(NA)	(NA)	(NIL)	(NIL)	(5.13)	(2.11)	(22.42)	(NIL)	(NIL)
1c	Chennai Network Infrastructure Ltd.	289.15	0.09	183.94	NIL	0.01	NIL	NIL	NA	NA	NIL	NIL	8.26	NIL	22.05	10.09	20.86
		(412.57)	(0.71)	(261.09)	(NIL)	(0.01)	(NIL)	(0.21)	(NA)	(NA)	(NIL)	(NIL)	(16.96)	(0.01)	(21.65)	(27.40)	(0.52)
1d	Global Holding Corporation Private Limited	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.25)	(NIL)	(NIL)	(NIL)
	TOTAL	**641.26**	**2.64**	**300.29**	**4.11**	**2.72**	**0.10**	**0.12**	**NA**	**NA**	**2.16**	**NIL**	**32.96**	**3.92**	**49.30**	**11.41**	**24.67**
2	Key Managerial Personnel																
2a	Mr. Manoj Tirodkar	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.43	0.02	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.34)	(0.02)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2b	Mr. Sunil S. Valavalkar	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.14	0.01	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.04)	(0.00)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2c	Mr. Vidyadhar Apte	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.72	0.02	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.95)	(0.02)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2d	Mr. Milind Bapat	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.72	0.02	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(1.15)	(0.02)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
	TOTAL	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**2.01**	**0.07**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

Claim of ₹ 179 Crores (PY ₹ 179 Crores) , of Global Holding Corporation Private Ltd. an Associate of the Company, not acknowledged as debt is included in contingent liability.

Provision for contribution to Gratuity fund and Leave encashment on retirement which are made based on actuarial valuation on an overall Company basis are not included in remuneration details of key managerial personnel

2.33.3 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises Consolidated as Subsidiary and Associates.

(₹ in Crore)

Name of the entity		Net Assets i.e. Total Assets minus Total Liabilities		Share of profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1		2	3	4	5
Parent					
GTL Limited	(A)	**66.86%**	**(2,017.18)**	**59.97%**	**(1,758.81)**
Subsidiaries					
Indian					
ADA Cellworks Wireless Engineering Pvt. Ltd.	(B)	**0.10%**	**(2.97)**	**0.01%**	**(0.30)**
Foreign					
International Global Tele–Systems Limited		29.26%	(882.61)	33.86%	(993.13)
GTL International Limited		3.79%	(114.42)	5.57%	(163.25)
Total of foreign subsidiaries	(C)	**33.05%**	**(997.03)**	**39.43%**	**(1,156.38)**
Total of subsidiaries	(D)=(B+C)	**33.15%**	**(1,000.00)**	**39.44%**	**(1,156.68)**
Minority Interest of subsidiaries					
GTL Saudi Arabia Company Limited	(F)	**–0.01%**	**0.31**	**0.00%**	**0.06**
Share of loss in associates		0.00%	–	0.60%	(17.63)
Total consolidated assets minus liabilities	(G)=(A+D+F)		**(3,016.87)**		**(2,933.06)**

Associates	Percentage	Investment Amount	Basis of accounting of investment
Indian			
GTL Infrastructure Limited	–18.97%	572.42	As per AS–13
Chennai Network Infrastructure Limited	–54.28%	1,637.48	As per AS–13
Global Rural Netco Limited	NA	NIL	Equity method

2.33.4 Salient features of Financial Statements of Subsidiaries and Associates as per Companies Act, 2013

Part "A": Subsidiaries

(₹ in Crore)

No.	Name of the Susbsidary Company	Curr.	Year Ending	Exchange Rate Bal. Sheet	Exchange Rate P&L	Capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	PBT	Provision for Tax	Profit after Tax	Proposed Dividend	% share–holding
Operating Companies:																
A	**ADA Cellworks Wirless Engineering Pvt. Ltd.**	INR	31 March	1.000	1.000	0.09	1.25	1.66	1.66	NIL	NIL	(0.30)	NIL	(0.30)	NIL	100%
B	**International Global Tele–Systems Ltd.**	USD	31 December	66.425	65.633	476.68	(885.16)	242.35	242.35	NIL	NIL	(1,036.90)	NIL	(1,036.90)	NIL	100%
C	**GTL International Ltd.**	USD	31 December	66.425	65.633	53.14	(113.77)	324.88	324.88	NIL	5.67	(132.92)	NIL	(132.92)	NIL	100%
C.1	GTL (Singapore) Pte Ltd.	USD	31 December	66.425	65.633	2.00	22.10	39.68	39.68	NIL	22.68	15.64	0.45	15.19	NIL	100%
C.2	GTL Overseas (Middle East) DMCC	AED	31 December	18.199	17.982	0.09	(14.91)	29.49	29.49	NIL	25.67	2.70	NIL	2.70	NIL	100%
C.3	GTL Europe Ltd.	GBP	31 December	99.894	98.459	4.99	6.01	59.55	59.55	NIL	220.78	15.97	3.23	12.74	15.75	100%
C.4	GTL Nepal Pvt. Ltd.	NPR	31 December	0.634	0.631	1.23	18.84	48.41	48.41	NIL	70.21	17.05	4.76	12.28	13.41	100%
C.5	iGTL Myanmar Limited	MMK	31 March	16.894	16.816	1.18	9.35	45.43	45.43	NIL	97.12	11.54	2.89	8.66	NIL	100%
Subsidiary companies under liquidation / in–operative:																
C.6	GTL Kenya Ltd.	KES	31 December	0.661	0.653	0.01	0.84	1.39	1.39	NIL	NIL	0.10	NIL	0.10	NIL	100%
C.7	GTL Tanzania Limited	TSH	31 December	0.030	0.030	0.00	0.08	0.09	0.09	NIL	NIL	(0.17)	0.09	(0.26)	NIL	100%
C.8	GTL Network Services Malaysia Sdn. Bhd.	MYR	31 December	15.470	15.280	0.97	(8.15)	4.23	4.23	NIL	NIL	(42.85)	NIL	(42.85)	NIL	100%
C.9	GTL China Corporation Ltd.	RMB	31 December	10.240	10.110	1.27	(1.19)	0.08	0.08	NIL	NIL	NIL	NIL	NIL	NIL	100%
C.10	Pt. GTL Indonesia	IDR	31 December	0.005	0.005	0.73	(37.16)	3.78	3.78	NIL	NIL	(4.04)	NIL	(4.04)	NIL	100%
C.11	GTL International Bangladesh Pvt. Ltd.	BDT	31 December	0.855	0.865	0.31	(14.29)	5.01	5.01	NIL	NIL	(6.00)	NIL	(6.00)	NIL	100%
C.12	GTL Saudi Arabia Company Ltd.	SAR	31 March	17.723	17.641	3.54	(0.40)	11.06	11.06	NIL	25.02	(15.70)	NIL	(15.70)	NIL	90%
C.13	iGTL Network Services Philippines Inc.	PHP	31 December	1.401	1.418	0.07	(0.41)	2.10	2.10	NIL	4.75	(0.43)	(0.13)	(0.30)	NIL	100%
Subsidiary companies liquidated:																
C.14	GTL Overseas Middle East FZ LLC															NIL
C.15	GTL International Nigeria Ltd															NIL
C.16	GTL International Lanka (Private) Limited															NIL
Subsidiary companies sold:																
C.17	GTL USA Inc. and GTL Canada															NIL

2.33.4.1 The Company's step–down subsidiary, GTL (USA) Inc., wholly owned subsidiary of GTL International Limited, has filed a petition for protection from its creditors under Chapter 11 of US Bankruptcy Code on 9 February 2015. The resolution of bankruptcy is subject to uncertainties, the outcome of which is presently unknown.

Part "B" : Associates and Joint Ventures

Part "B": Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Sr. No.	Name of Associate Company	Latest Audited Balance Sheet date	Shares of Associates held by the Company on the year end			Net worth attributable to shareholding as per latest audited balance sheet (₹ in Crore)	Profit/(Loss) for the year (₹ in Crore)		Description of how there is significant influence	Reason why the Associate is not consolidated
			No.	Amount of investment in associates (₹ in Crore)	Extent of holding %		Considered in consolidation	Not considered in consolidation		
1	GTL Infrastructure Limited	31–Mar–16	345,763,466	591.55	14.80%	(18.11)	NIL	(81.01)	Note – A	Note – C
2	Global Rural Netco Pvt. Ltd.	31–Mar–15	75,000,000	75.00	42.86%	(11.98)	(17.63)	NIL	Note – B	N.A.
3	Chennai Network Infrastructure Ltd.	31–Mar–16	1,700,742,399	1,637.48	25.79%	668.89	NIL	(133.36)	Note – B	Note – C

Note:

A. In earlier years, the Company's holding in GTL Infrastructure Limited (GIL) was more than 20% and on account of percentage holding, GIL became the Company's Associate and continues to be as associate.

B. There is significant influence due to percentage (%) of Share Capital

C. Share of loss in associates viz GTL Infrastructure Limited and Chennai Infrastructure Limited is not considered in view of severe long term restrictions significantly impairing ability of the associate to transfer any funds to the Company as envisaged by AS–23 para 7(b); refer note No. 2.11.3

2.34. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

Details of Investments made are provided in note no. 2.11. The Company has not given any loans except loans to employees.

Details of Corporate Guarantees given by the Company in respect of loans taken by the subsidiaries and Other Body Corporates.

(₹ in Crore)

No.	Name of the Company	As at March 31, 2016	As at March 31, 2015
1	Subsidiaries	**165.39**	166.82
2	Other Body Corporate	**425.00**	425.00

2.35 EARNINGS PER SHARE

₹ In Crore (other than No. of Shares & EPS)

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
BASIC EARNINGS PER SHARE			
Numerator for basic earnings per share			
Loss after exceptional but before Tax & extra–ordinary items		**(2,883.64)**	(1,088.16)
Add :			
Dividend payable on Cumulative Preference Shares		**(0.23)**	(0.16)
Tax on Cumulative Preference Dividend payable		**(0.05)**	(0.03)
Provision for Income Tax, Deferred Tax & FBT		**(31.84)**	(15.47)
Minority Interest		**0.06**	0.55
Share of Profit / (Loss) in associates		**(17.63)**	(11.81)
Net Loss after Tax but before Extra–ordinary item	**(a)**	**(2,933.33)**	(1,115.08)
Net Loss after tax & extra–ordinary item	**(b)**	**(2,933.33)**	(1,115.08)
Denominator for basic earnings per share –			
Weighted average number of shares	**(c)**	**157,296,781**	157,296,781
Basic and Diluted earnings per share before Extra–ordinary Items	**d = (a/c)**	**(186.48)**	(70.89)
Basic and Diluted earnings per share after Extra–ordinary Items		**(186.48)**	(70.89)

2.36 GOING CONCERN

The Group's business activities comprise of one segment viz. "Network Services" post discontinuation of "Power Management segment.

In view of overall set back in the Group's business operations and factors beyond Management control, in the last few years the Group has incurred cash losses, which has resulted in erosion of entire net–worth of the Group. The Group's current liabilities are higher than its current assets.

In the previous financial year some of the ECB lenders and the NCD holder initiated legal proceedings against the Company inter–alia winding–up petition filed by the NCD holder. These matters are currently sub–judice.

The Company has made a proposal for a negotiated / One Time Settlement plan (OTS) to all lenders namely CDR, ECB and NCD by sale of its core / non core assets, which is under consideration. In this direction, Board of Directors of the Company approved the sale of OME business and in this context, the Monitoring Institution appointed under CDR program has allowed the Company to seek regulatory approvals for the sale of OME business.

Pending Company's proposal for negotiated / One Time Settlement plan (OTS) , the Company continues to recognize its principal loan liability to CDR lenders as per the repayment terms specified in CDR package.

The Management is of view that the Company's settlement proposal / plan will be considered favorably. Resultantly, the doubt on the Company's inability to repay and meet its debt / liabilities would cease to exist and the Company which has been in service industry since its inception would be in a position to continue with the business operations.

Accordingly, the financial statements have been prepared on the basis that the Group is a going concern and no adjustments are required in the carrying value of assets and liabilities.

2.37 DETAILS OF ROUNDED OFF AMOUNTS

The financial statements are presented in ₹ in Crore. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest ₹ Crore are as follows:

Note	**Description**	**As at March 31, 2016**	As at March 31, 2015
2.2	Reserves and Surplus		
	– Capital Reserve	7,725	7,725
2.25.2.iv	Interest Cost	NA	13,061
2.27	Freight Charges	NA	29,450

2.38 The Previous year figures, wherever necessary, have been regrouped/rearranged/recast to make them comparable with those of the current year.

2.39 Figures in brackets relate to the previous year unless otherwise stated.

As per our attached report of even date

For and on behalf of the Board
Manoj G. Tirodkar
Chairman & Managing Director

For **M/s Godbole Bhave & Co.**
Chartered Accountants
FRN No.114445W

For **M/s Yeolekar & Associates**
Chartered Accountants
FRN No.102489W

Sunil S. Valavalkar
Whole–time Director

Vijay Vij
Director

M.V. Bhave
Partner
Membership No. 38812

S.S. Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : April 28, 2016

NOTICE FOR AGM

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of GTL Limited will be held on Wednesday, September 21, 2016, at 11:00 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400703, Maharashtra, to transact the following business:

Ordinary Business

1. To consider and adopt:

   a. the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Auditors thereon.

2. To appoint a Director in place of Mr. Manoj G. Tirodkar, who retires by rotation and is eligible for re–appointment.

3. 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the Audit Committee of the Board of Directors and further to the resolution passed by the members in the 26th Annual General Meeting (AGM) held on September 16, 2014, the appointment of M/s. Godbole Bhave & Co., Chartered Accountants, Mumbai (Firm Registration No.114445W) and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai (Firm Registration No. 102489W) as the Joint Auditors of the Company to hold the office from the conclusion of this AGM till the conclusion of the Twenty Ninth AGM to be held in the calendar year 2017, be and is hereby ratified and the Board be and is hereby authorized to fix the remuneration payable to the Joint Auditors for the Financial Year 2016–17, as may be recommended by the Audit Committee in consultation with the Joint Auditors."

Special Business

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

   "RESOLVED that in continuation of and pursuant to the special resolutions passed by the shareholders of the Company through Postal Ballot, results of which were declared on September 25, 2014 and September 30, 2015, in terms of which the shareholders of the Company had *inter alia*, approved the sale / lease or otherwise disposal of the whole or substantially the whole of any of the undertakings of the Company including sale of any or all businesses of the Company such as Network Services viz. Operations, Maintenance & Energy Management (OME) business, sale of core / non–core assets, sale of surplus assets / investments, realization of current assets including inventories, sundry debtors, supplier advances and other current assets, subject to the approval of CDR / other Lenders, as may be required, consent of the members be and is hereby accorded for selling / disposing of the Company's shareholding in its subsidiary company(ies), whether material subsidiary or not, held either directly or through the Company's subsidiary(ies) (thereby resulting in reduction in shareholding, either on its own or together with subsidiaries to less than 50% or cease the exercise of control over the subsidiaries) and / or selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the subsidiary company(ies), whether material subsidiary or not, on an aggregate basis during a financial year, as part of the overall negotiated settlement proposed with the lenders of the Company and such approval being accorded under the relevant provisions of the applicable laws (including, if and to the extent applicable, sub–regulations 5 & 6 of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and other applicable regulations, if any, of the Listing Regulations,.

   RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board [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] be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and also authorized to settle any question, difficulty or doubt that may arise in this regard and further authorised to execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

By Order of the Board of Directors,

Place: Mumbai — **Vidyadhar A. Apte**
Date: April 28, 2016 — **Company Secretary**

Registered Office:
GTL Limited
"Global Vision", Electronic Sadan No. II,
M.I.D.C., T.T.C. Industrial Area,
Mahape, Navi Mumbai – 400710.
Maharashtra, India.
Tel: +91–22–27612929 Ext. Nos.: 2232–2235
Fax: +91–22– 27689990 / 27680171
E–mail: gtlshares@gtllimited.com
Website: www.gtllimited.com
CIN: L40300MH1987PLC045657

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.**

   A person can act as proxy on behalf of members 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 proxy for any other person or shareholder.

   The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting i.e. by 11:00 a.m. on September 19, 2016. Proxies / authorizations submitted on behalf of body corporate, societies etc. must be supported by appropriate resolutions / authority, as applicable.

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

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business under Item No. 4 to be transacted at the 28th Annual General Meeting is annexed hereto.

4. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred unclaimed dividends up to the Financial Year (FY) 2007–08 to the Investor Education and Protection Fund (IEPF). Unclaimed dividend for the FY 2008–09 will be transferred to the IEPF in September 2016. The Company has sent reminders to shareholders who have not claimed Dividend for FY 2008–09 or the same is still unpaid and has also issued Demand Drafts / Pay Orders to the shareholders who have responded.

   Please refer to ‘Unpaid / Unclaimed Dividends’ in the Corporate Governance Report forming part of the Annual Report, for the due dates of transfer of unclaimed dividends to the IEPF. The members who have not received / claimed their dividend for FY 2009–10 may claim it from the Company sufficiently in advance.

   Pursuant to the provisions of IEPF (Uploading of information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of September 23, 2015 (date of last AGM) on the website of the Company as also on the website of the Ministry of Corporate Affairs.

5. Members holding shares in physical form are requested to notify, immediately, any change in their address or bank details to the Company at its ‘Investor Service Centre’, “Global Vision”, Electronic Sadan–II, M.I.D.C., T.T.C. Industrial Area, Mahape, Navi Mumbai – 400710 Maharashtra. Members holding shares in electronic form should update such details directly with their respective Depository Participants.

6. All documents referred to in the above Notice and the accompanying Explanatory Statement *inter–alia* Register of Contracts and Register of Directors and Key Managerial Personnel and their shareholding 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. The Notice of the AGM along with the Annual Report 2015–16 is being sent by electronic mode to those Members whose e–mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy. For Members who have not registered their e–mail addresses, physical copies are being sent by the permitted or requested modes. The Notice is being sent to all Members whose names would appear in the Register of Members as on Friday, August 19, 2016 and to the Directors and Auditors of the Company.

8. 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 FY 2016–17.

   Privately placed Rated Redeemable Unsecured Rupee Non–Convertible Debentures (NCDs) issued by the Company in February 2010 are listed with BSE under the Debt Segment. In view of pending restructuring of NCDs due to non–completion of documentation, currently, the same are suspended for trading.

9. Members are requested to forward their queries pertaining to Financial Statements and other Sections of Annual Report to the Company by e–mail to gtlshares@gtllimited.com at least 10 days in advance, for enabling the management to keep the information ready at the AGM.

10. Members / Proxies are requested to bring their copy of the Annual Report to the Meeting.

11. In keeping with the provisions of Section 101 of the Companies Act, 2013 and Regulation 36 of the Listing Regulations, 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 cost. 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.

12. Voting through electronic means:

    Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, the Company is pleased to provide its members the facility to exercise their right to vote for the 28th Annual General Meeting (AGM) by electronic means (remote e–voting) and the business may be transacted through such voting. The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating the e–voting. The process for remote e–voting is appended hereto.

13. The Members who have already cast their vote by remote e–voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

14. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e–voting shall be able to exercise their right to vote at the AGM.

15. The instructions for shareholders voting electronically (remote e–voting) are as under:

    (i) The voting period begins on Sunday, September 18, 2016 at 09:00 a.m. and ends on Tuesday, September 20, 2016 at 05:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut–off date of Wednesday, September 14, 2016 may cast their vote electronically. The e–voting module shall be disabled by CDSL for voting thereafter.

    (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

    (iii) The shareholders should log on to the e–voting website www.evotingindia.com

    (iv) Click on Shareholders.

    (v) Now Enter your User ID

    a. For CDSL: 16 digits beneficiary ID,

    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

    (vi) Next enter the Image Verification as displayed and Click on Login.

    (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

    (viii) If you are a first time user follow the steps given below:

	For Members holding shares in De–mat Form and Physical Form
PAN	Enter your 10 digit alpha–numeric *PAN issued by Income Tax Department (Applicable for both demat sharehold–ers as well as physical shareholders) • Members who have not updated their PAN with the Company / De–pository Participant are requested to use the first two letters of their name and the 8 digits of the voting serial number in the PAN field. • In case the voting serial number is less than 8 digits enter the applica–ble number of 0's before the num–ber after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with voting serial number 1 then enter RA00000001 in the PAN field..
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as re–corded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the 16 digit member–id or folio number in the Dividend Bank details field as mentioned in instruction (v).

    (ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) 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 other 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.

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

(xii) Click on the EVSN of "GTL LIMITED" on which you choose to vote.

(xiii) 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.

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

(xv) After selecting the resolution(s) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m–Voting available for android based mobiles. The m–Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non–Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login 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.

(xxi) 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.

16. The Company has appointed Mr. Virendra G. Bhatt, a Practicing Company Secretary, as the Scrutinizer for conducting the entire remote e–voting / ballot process in a fair and transparent manner.

17. The Scrutinizer shall immediately after the conclusion of voting at the General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e–voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the

Chairman or a person authorised by him in writing, who shall countersign the same.

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.gtllimited.com and on CDSL's website at www.evotingindia.com for information of the Members, besides being communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4

The Company is engaged in providing turnkey services in Telecom space. In the course of undertaking these businesses, the Company has incorporated / set–up subsidiary / step–down subsidiary companies, either in India or overseas. The details of existing subsidiary companies are furnished in the Company's consolidated accounts, appended in the Annual Report.

Members are aware that due to the downtrend in economic conditions at macro and micro levels particularly adversely affecting the telecom and power sectors, the Company was required to restructure its debts in FY 2011–12. However, taking into account the various factors adversely affecting the performance of the Company, all three sets of lenders viz. CDR, ECB and NCD agreed in–principle for settlement of the dues of the lenders by monetization of the Company's core / non–core assets and investments. Thus, for the purpose of discharging its obligations under the settlement proposal, the Company is required to sell / dispose of its core / non–core assets, businesses, investments etc., as may be issued by way of security to secured lenders, for which requisite approvals from shareholders were obtained by way of passing of special resolutions through Postal Ballot, results of which were declared on September 25, 2014 and September 30, 2015.

In furtherance of the Company's debt settlement objective, the Company is also required to sell / dispose of its investments in subsidiary companies and / or selling, disposing and leasing of more than twenty percent of the assets of the material subsidiary, if any, on an aggregate basis, during a financial year.

The provisions of Regulation 24(5) and (6) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, (the Listing Regulations) provide that a listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary and selling / disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on aggregate basis during a financial year without passing a special resolution, unless such sale / disposal / lease is made under a scheme of arrangement duly approved by a Court / Tribunal.

As at March 31, 2016, none of the Company's subsidiaries and / or step down subsidiaries is 'material subsidiary' as defined under the Listing Regulations, however, as a prudent corporate governance practice, the matter is placed before the shareholders for approval by way of passing a Special Resolution.

The Board commends passing of the resolution set out at Item No. 4 of the accompanying Notice.

Except Mr. Milind Bapat – Chief Financial Officer of the Company in his capacity as Director in International Global Tele–Systems Ltd., GTL International Limited and GTL Singapore Pte. Ltd. none of the Directors / Key Managerial Personnel of the Company and their relatives is, in anyway, concerned or interested, financially or otherwise, in passing of the Resolution.

By Order of the Board of Directors,

Place: Mumbai — **Vidyadhar A. Apte**
Date: April 28, 2016 — **Company Secretary**

Registered Office:
GTL Limited
"Global Vision", Electronic Sadan No. II,
M.I.D.C., T.T.C. Industrial Area,
Mahape, Navi Mumbai – 400710.
Maharashtra, India.
Tel: +91–22–27612929 Ext. Nos.: 2232–2235
Fax: +91–22– 27689990 / 27680171
E–mail: gtlshares@gtllimited.com
Website: www.gtllimited.com
CIN: L40300MH1987PLC045657

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GTL LIMITED

Regd. Office: "Global Vision", Electronic Sadan–II, MIDC,
TTC Industrial Area, Mahape, Navi Mumbai – 400 710. MH., INDIA
Tel: +91 22 2761 2929 Extn: 2232–2235; **Fax:** +91 22 2768 9990 / 2768 0171.
Email: gtlshares@gtllimited.com; **Website:** www.gtllimited.com; **CIN:** L40300MH1987PLC045657

ATTENDANCE SLIP

Folio No. / DP ID & Client ID No.: .... No. of Shares: ....

NAME AND ADDRESS OF THE MEMBER / PROXYHOLDER:

....

....

....

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HANDOVER AT THE ENTRANCE OF THE MEETING HALL

I certify that I am a registered member / proxyholder for the registered member of the Company.

I hereby record my presence at the Twenty Eighth (28th) Annual General Meeting of the Company being held on Wednesday, September 21, 2016, at 11:00 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai – 400 703, Maharashtra, India.

....	....
Name of the attending Member / Proxyholder*	Member's / Proxyholder's* Signature
	* Strike out whichever is not applicable

GLOBAL Group Enterprise

GTL LIMITED

Regd. Office: "Global Vision", Electronic Sadan–II, MIDC,
TTC Industrial Area, Mahape, Navi Mumbai – 400 710. MH., INDIA
Tel: +91 22 2761 2929 Extn: 2232–2235; Fax: +91 22 2768 9990 / 2768 0171.
Email: gtlshares@gtllimited.com; **Website:** www.gtllimited.com; **CIN:** L40300MH1987PLC045657

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: ....

Email ID: ....

Folio No / DP ID & Client ID: ....

I / We, being the member of GTL Limited holding .... shares, hereby appoint,

1. Name: ....

   Address: ....

   E–mail Id: ....Signature ...., or failing him

2. Name: ....

   Address: ....

   E–mail Id: ....Signature ...., or failing him

3. Name: ....

   Address: ....

   E–mail Id: .... Signature ....

GTL LIMITED

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty Eighth (28th) Annual General Meeting of the Company, to be held on Wednesday, September 21, 2016, at 11:00 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai – 400 703, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.:

1. Adoption of Audited Financial Statements for the year ended March 31, 2016 on standalone and consolidated basis and the Reports of the Board of Directors and Auditors thereon.
2. Appointment of Mr. Manoj G. Tirodkar as a Director, who retires by rotation and is eligible for reappointment.
3. Ratification of appointment of M/s Godbole Bhave & Co., Chartered Accountants and M/s Yeolekar & Associates, Chartered Accountants as Joint Auditors and fixing their remuneration.
4. Approval for selling / disposing of the Company's shareholding in its subsidiary company(ies), whether material or not, held either directly or through the Company's subsidiary(ies) and / or selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the subsidiary company(ies), whether material subsidiary or not.

Signed this ……….…… day of ………………..… 2016

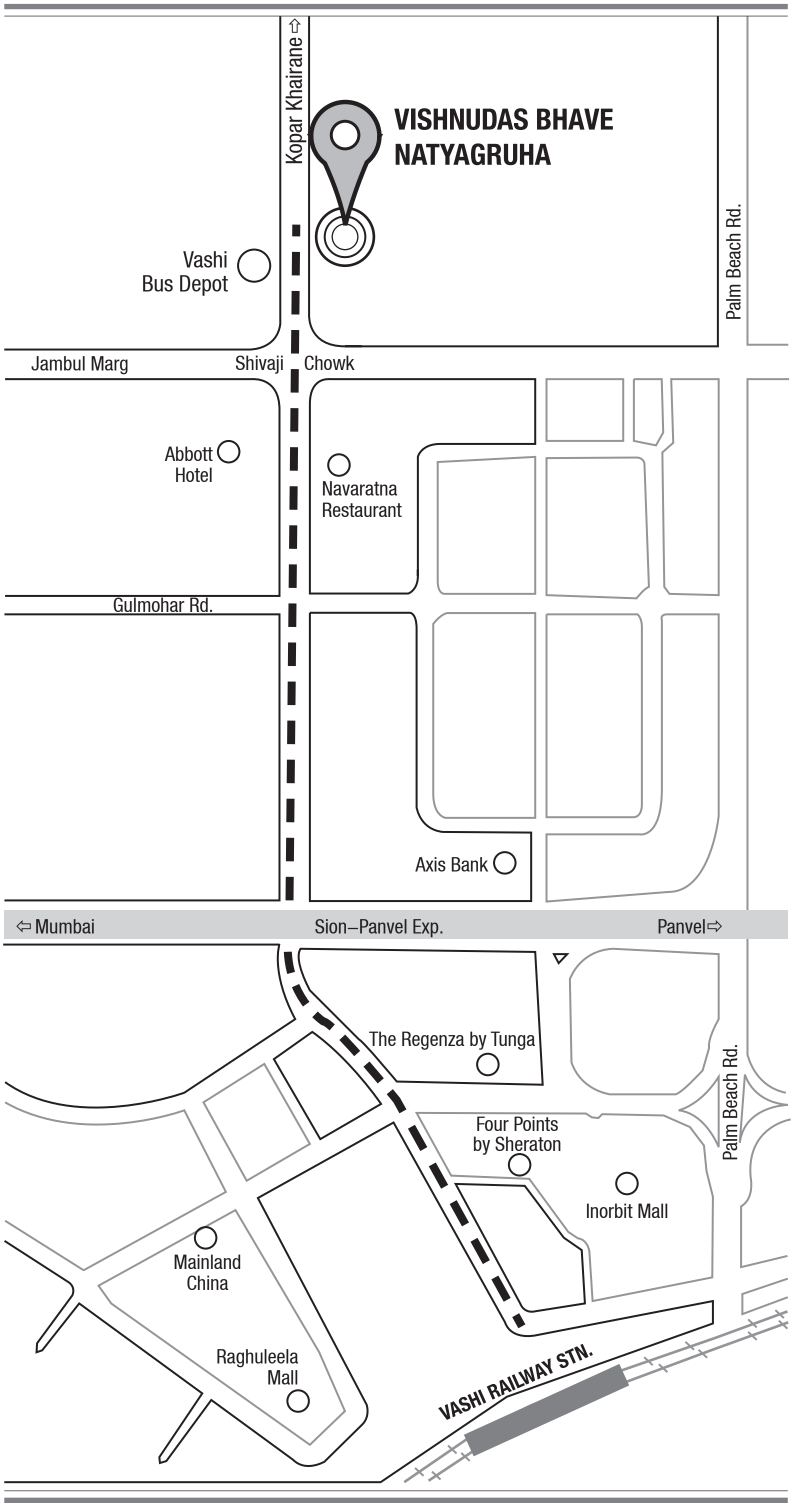
Signature of shareholder: ……………………………….……..

Affix
Revenue
Stamp

Signature of Proxy holder(s): ……………………………..……

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.

Route Map to the venue of 28th AGM



LIST OF BRANCHES IN INDIA

GURGAON
3rd Flr, PALM Court,
20/4, Sukhrali Chowk,
Gurgaon – 122 001,
Haryana, India.

MUMBAI
412, Janmabhoomi Chambers,
29, Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 038,
Maharashtra, India.

NAVI MUMBAI
"Global Vision", ES–II, MIDC,
TTC Industrial Area,
Mahape, Navi Mumbai – 400 710,
Maharashtra, India.

PUNE
Plot No. 32/33, Phase 1,
Rajiv Gandhi InfoTech Park,
Hinjewadi, Pune – 411 057,
Maharashtra, India.

www.gtllimited.com

GTL LIMITED

GLOBAL Group Enterprise

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"Global Vision", Electronic Sadan–II, MIDC, TTC Industrial Area,
Mahape, Navi Mumbai – 400 710, Maharashtra, India.
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CIN No. : L40300MH1987PLC045657

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