

**REF: GIL/SE/AGM/2020-21/37**

**September 8, 2020**

The Secretary,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001  
Scrip Code : 532775

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  
Trading Symbol : GTLINFRA

**Dear Sir/s,**

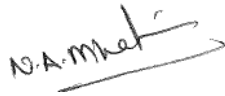
**Sub: Annual Report for year ended March 31, 2020 along with Notice of 17<sup>th</sup> Annual General Meeting**

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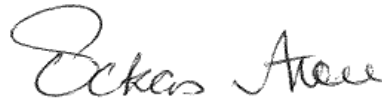
Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the 17<sup>th</sup> Annual Report for the year ended March 31, 2020 along with the Notice of 17<sup>th</sup> Annual General Meeting.

Thanking you,

Yours truly,  
**For GTL Infrastructure Limited**



**Nitesh A. Mhatre**  
**Company Secretary &**  
**Compliance Officer**



**Vikas Arora**  
**Group Head- Corporate Communications**

Encl. as above

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



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DISCLAIMER: The information and opinions contained in this report do not constitute an offer to buy any of GTL Infrastructure Limited's (GTL Infra) securities, businesses, products or services. The report also contains forward-looking statements, qualified by words such as 'expect', 'plan', 'estimate', 'believe', 'project', 'intends', 'exploit' and 'anticipates', and words of similar substance in connection with any discussion of future performance, that we believe to be true at the time of the preparation of the report. The actual events may differ from those anticipated in these statements because of risk, uncertainty or the validity of our assumptions and we do not guarantee that these forward looking statements will be realised, although we believe that we have been prudent in our assumptions. GTL Infra does not take on any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. The Trade Marks, Service Marks, Logos of various Companies used in the report belong to the respective owners only and have been used in the report for representation purpose only.

## TOWERS IN THE SERVICE OF OUR NATION

Financial Year (FY) 20 and first quarter of FY 21 as we write this Annual Report will never be erased from our memories.

In the second half of FY 20 India's Telecom industry faced yet another herculean challenge due to the AGR ruling of the Hon'ble Supreme Court in favour of Department of Telecommunications (DoT), mandating telecom operators to pay thousands of crores of AGR dues. However, a silver lining emerged as Telcos started raising their tariffs which has led to the growth in their ARPU's. In such an eventful year we achieved Revenue and Normalised EBITDA of ₹ 14,169 Mn and ₹ 1,982 Mn respectively for FY 20 as against ₹ 15,002 Mn and ₹ 2,481 Mn for FY 19. Our tenancies, Revenue and EBITDA were majorly impacted due to the continued network consolidation in telecom sector.

The culminating part of FY 20 brought with itself a health threat that humans had never encountered before due to the rampant worldwide spread of the Corona pandemic. Our thriving nation was checked and compelled to augment medical facilities and implement complete lockdown to contain the spread of the virus. For a country as large as India, this was a mammoth task. The efforts to contain the spread prolonged the lockdowns, which started to slow down our economy.

All throughout at GTL Infrastructure we have always remained committed towards the success of our customers, employees, lenders, shareholders and communities in their most trying

times. This was yet another opportunity for us. We dedicated our services and towers in the service of our nation. Keeping in mind health and safety of our employees, we worked 24x7 to improve the uptime and capacity on our towers so that people living around our towers can stay in touch with each other, enjoy access to essential services, conduct business online and educate children on videoconferencing platforms.

On social responsibility front, our employees supported Global Foundation's initiative to help people adversely affected by the pandemic.

Going forward our priorities are clear.

- We will go all out to support our customers, we sustainably can.
- We are committed to Governments' efforts as an essential services provider.
- We are disciplined towards cash flow and mindful about our expenses.
- We will take extra care of our employees' well-being in these tough times.
- We will prioritize community welfare.

We thank the frontline health givers, all the Governments and essential services providers for dedicating themselves to the safety and wellbeing of our nation.

*Thanks to our towers, families remained connected while maintaining social distance*



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Manoj G. Tirodkar	Chairman
Mr. N. Balasubramanian	Independent Director – Vice Chairman
Mr. Milind K. Naik	Whole-time Director (upto July 20, 2020)
Dr. Anand P. Patkar	Independent Director
Mr. Charudatta K. Naik	Director
Ms. Dina S. Hatekar	Independent Director (w.e.f. August 14, 2019)
Mrs. Sunali Chaudhry	Director
Mr. Vinod B. Agarwala	Independent Director
Mr. Vijay M. Vij	Independent Director (upto May 9, 2019)

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Nitesh A. Mhatre

### CHIEF FINANCIAL OFFICER

Mr. Bhupendra J. Kiny

### AUDITORS

M/s. Pathak H. D. & Associates LLP, Chartered Accountants

### TRUST AND RETENTION ACCOUNT BANK

Union Bank of India

### BANKS / INSTITUTIONS

Canara Bank\*  
Corporation Bank (now Union Bank of India)\*  
DEG, Germany  
IDBI Bank Ltd.\*  
Indian Bank\*  
Life Insurance Corporation of India\*

### REGISTERED OFFICE

#### **GTL Infrastructure Limited**

'Global Vision', 3rd Floor, Electronic Sadan – II,  
MIDC, TTC Industrial Area, Mahape,  
Navi Mumbai – 400 710, Maharashtra, India.  
Tel: +91 22 6829 3500 | Fax: +91 22 6829 3545  
Website: [www.gtlinfra.com](http://www.gtlinfra.com)  
CIN : L74210MH2004PLC144367

### REGISTRAR & SHARE TRANSFER AGENT

#### **Bigshare Service Pvt. Ltd.**

1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East,  
Mumbai – 400 059, Maharashtra, India.  
Tel : +91 22 6263 8200 / 221 / 222  
Fax : +91 22 6263 8299  
Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)  
Online form based investor correspondence link:  
<http://www.bigshareonline.com/contact.aspx>

*\* The issue related to status of aforesaid creditors whether to be financial creditors or not has been sub-judice before the Hon'ble Supreme Court.*

## FINANCIAL SNAPSHOT

Various developments in Indian Telecom Sector during last few years including forced consolidation and exits in the telecom sector, which were beyond the control of the Company and the management, have resulted in the number of telecom operators reducing from 18 to 4. According to ICRA, telecom tower industry has witnessed a net tenancy loss of around 100,000 tenancies with tenancy ratio declining to 1.37 times as on December 31, 2019, from 1.78 times as on March 31, 2017. This was primarily due to the financial pressures, impact of adjusted gross revenue (AGR) verdict in October 2019 and exits of players following consolidation in the telecom market. The tenancy losses have been higher on a gross basis. This has already resulted in the Company being saddled with the operational cost of non-occupied towers and the unsustainable debt level of the Company. In addition, the business of the Company also got impacted due to various natural calamities such as Jammu & Kashmir floods, Chennai floods, Karnataka floods, Cyclone Fani in Odisha, Vayu Cyclone in Gujarat, Bulbul Cyclone in Odisha and shutdown in Jammu & Kashmir. Accordingly, the brief highlights of financials of the Company are as follows:

Parameter	Units	FY 19–20	FY 18–19	FY 19–20	FY 18–19
		₹ / Nos		US\$ / Nos	
<b>Tower Tenancy Parameters</b>					
Total tower count	Nos	27,209	27,553	27,209	27,553
Unoccupied tower count [Refer Note 2]	Nos	14,989	14,632	14,989	14,632
Occupied tower count	Nos	12,220	12,921	12,220	12,921
Tenants [Refer Note 3]	Nos	23,483	24,104	23,483	24,104
Average tenancy per occupied tower	Times	1.9	1.9	1.9	1.9
<b>Financials</b>					
Revenue (net of taxes)	Mn	14,169	15,002	188	200
Adjusted Costs [Refer Note 7]	Mn	12,187	12,521	162	167
Normalized EBITDA [Refer Note 7]	Mn	1,982	2,481	26	33
CAPEX	Mn	535	713	7	9
<b>Key ratios</b>					
Normalized EBITDA margin [Refer Note 8]	%	14	17	14	17
Network uptime delivered – YE basis	%	99.90	99.90	99.90	99.90
<b>Tower Revenue Parameters – Occupied Towers</b>					
<b>Parameters</b>		<b>FY 19–20</b>	<b>FY 18–19</b>	<b>FY 19–20</b>	<b>FY 18–19</b>
		₹		US\$	
Sharing Revenue per Tower/Month [Refer Note 5]		53,765	48,427	715	644
Sharing Revenue per Tenant/Month [Refer Note 5]		30,423	27,196	405	362
EM Revenue per Tower/Month		35,918	30,649	478	408
EM Revenue per Tenant/Month		23,651	18,314	315	244

### Notes:

- The above results and subsequent management discussion refer to GTL Infrastructure Limited as 'The Company'.
- The unoccupied tower count has increased mainly on account of site exits of Vodafone Idea, Tata Teleservices and BSNL during the FY 19–20.
- Tenants refers to Full Paying equivalent Tenants
- EM : Energy Management
- The Sharing revenue per tower and sharing revenue per tenant are calculated on the basis of revenue from existing tenants, excluding SLA provision, on occupied towers as of March 31, 2020.
- For the purpose of financial analysis, the figures in rupees for the financial results referred to have been converted at a constant rate of ₹ 75.17 per US\$ as on March 31, 2020 and the same rate has been applied to other FYs referred in this statement and the other sections of this Annual Report.
- Normalized EBITDA is calculated after considering all costs related to operations but excludes Ind AS impact on P&L items, foreign exchange difference, loss on sale of FA, one-time payment towards settlement of disputed tax under SVLDRS, other one-time expenses/revenue, non-operational expenses/other income, etc. Figures for the previous financial year have been regrouped / rearranged wherever necessary to make them comparable with that of FY 19–20.
- The company continued to incur its contractual commitments on unoccupied sites caused by further exit of tenancies during FY 19–20. The Company faces costs in excess of ₹ 169 Mn p.m. as on March 31, 2020.

# VISION, MISSION & VALUES

## MISSION

Our purpose is to enable people to be in touch with each other and improve the quality of life of the communities we serve. We do this through leadership in sectors like Telecom and associated infrastructure, to which the Company brings a distinct set of capabilities.

## VISION

To be India's most efficient and environment friendly telecom tower Company.

## VALUES

We share a set of 6 core values which guide and drive the Company and its people towards growth and success.

- Ethics and Transparency
- Proactively Manage Change
- Delight Customers through Superior Services
- Develop Entrepreneurs through an Achievement Oriented Culture
- Build a Sustainable Global Organisation
- Share Knowledge and Focus on End Results

## GTL INFRA'S SOCIAL MISSION DURING NCOVID 19

As work from home becomes norm of the day, schools engage students in remote learning practices, and telemedicine gains popularity to contain the outbreak of NCOVID 19, millions of people living around our towers face the risk of lagging behind and lacking access to emergency services due to connectivity and internet constraints.

In light of the present days' exceptional environment we have drawn our Social Mission to serve our nation in the ways we humanly can by ensuring the wellbeing of our stake holders i.e. our customers, employees, communities and shareowners.





## Customers

- Empower and enable customers to render 24x7 telecom services from our towers; thereby providing essential services to the cause of our nation.
- Continue investments to help telecom operators improve their network uptime and augment network capacities to cater to the growing demand of data services under the new normal.
- Leverage the skills, resources and experience to rapidly deploy Emergency Response Teams for fastest restoration of connectivity disruptions due to natural calamities.
- Partner and support our customers during these tough times and foster long term business relationships.



## Employees

- Ensure health and safety of all employees and protect jobs.
- Safe working environment for all employees by implementation of Work from Home for desk workers and Personal Protective Equipment for the field workers.
- All employees are credited additional sick leave, increased coverage of medical insurance and voluntary support from our Global Foundation just in case some near one needs financial support for medical exigencies.
- Timely payment of full wages to all employees.
- Additional allowances and bonus to all our NCOVID 19 warriors – staff working on field.



## Communities

- Maintain continuity of telecom services by overcoming restrictions and lockdowns so that people living around our towers can stay in touch with their near ones and are able to have access to internet enabled privileges such as work from home, online schooling, telemedicine, entertainment etc



- Free services of food, water and essentials to migrant families traveling back home, health care workers and patients in hospitals and humble communities whose income got adversely affected during the pandemic.
- Preventive medical equipment such as Doffing and Donning Chambers for the benefit of health care workers and Electric Kettles for patients in hospitals
- Financial support to rebuild homes of a few Cyclone affected families.



## Shareowners

- Committed for preserving and growing shareowners investments through EBITDA protection and cash flow sustenance in a stressed customer environment due to the Adjusted Gross Revenue (AGR) and on-going consolidation.
- Relentlessly pursue every opportunity for optimising costs to conserve cash without compromising on the quality of services.
- Convert every opportunity to retain and add new tenancies for growing the Revenue and EBITDA.



# CHAIRMAN'S LETTER

Dear Shareholders,

Over the last 15 years, I have had the good fortune of enjoying the support of our shareholders and partners, as we aspired to build collective value for all stakeholders. Despite the telecom sector witnessing unprecedented setbacks over the past decade, I have remained deeply committed to trying to enhance shareholder value and upholding your faith in our Company. Unfortunately, I find that all of my efforts are being thwarted due to selfish and vested actions of a few, as elaborated in this letter.

## A. BACKGROUND AND PAST EFFORTS

1. As you may be aware, the Company is a passive telecom infrastructure provider and has been a victim of a repeated external events which have devastated the telecom sector for over a decade since 2010. These extraneous events included the following:
  - a. The cancellation of 122 licenses by the Supreme Court post the 2G scam in 2012;
  - b. Aircel–Maxis regulatory issues (which particularly impacted us as the Aircel group was our anchor tenant);
  - c. Vodafone tax issues impacting our tenancies;
  - d. Expensive spectrum auctions which crippled the balance sheets of operators and prevented further growth;
  - e. Slow roll out of 3G network impacting our contracted business;
  - f. Forced consolidation after introduction of 4G technology; and
  - g. AGR issues and related huge fall out for Vodafone Idea.
2. The above events resulted in what used to be a diverse field of 18 (regional and national) telecom operators in 2010/12 (our customers) being reduced to effectively 3/4 operators. Needless to say, this had a material impact on our tenancies, revenue and EBITDA. Huge contracted receivables have also been lost by the Company. The table below clearly highlights the impact of tenancy loss the Company suffered:

Events of Tenancy Loss	No. of Tenancy	Period	Comments
Cancellation of 2G licenses	4,319	February 2012	Supreme Court Judgement on cancellation of 122 2G telecom licenses
Aircel default of ROFR commitment	15,200	May 2014	Legal and financial issues
Slower 3G/BWA growth	4,750	Since April 2013	Industry slowdown following the Supreme Court verdict
Exits during business course with various reasons	2,966		
Operator scale back due to auction	3,500		
Aircel filing of bankruptcy	23,727	February 2018	Unsustainable business due to competition
RCom shutdown of wireless business	1,386	August & September 2017	
TATA exit from wireless business	2,888	Since December 2017	
Merger of Vodafone and Idea	2,718	Since September 2018	Forced industry consolidation due to competition
Consolidation of with Airtel with Telenor	1,395	During FY 2018–19	
<b>Aggregate tenancy loss from 2012 to 2020</b>	<b>62,849</b>		

3. The latest round of consolidation (which occurred in Financial Years 2017–18 and 2018–19) witnessed significant players like Aircel, Tata Teleservices and Reliance Communication shut down their operations in close succession. There were also mergers involving Vodafone and Idea Cellular and Telenor with Bharti Airtel and Shyam Systema with Reliance Communications. As things stand currently there are serious questions about the continuance of Vodafone Idea's and BSNL's tenancies. Both

entities are in default on their payments to the Company. The Company has outstanding claims against almost all of the above mentioned operators amounting to ₹ 152,065 Mn. However, the Company is unlikely to recover any meaningful amounts as most operators have either filed insolvency proceedings in National Company Law Tribunal (“NCLT”) or close down of their operations.

4. Despite the above challenges, the Company has made all efforts to ensure maximum recoveries for all stakeholders. The Company had undertaken two restructuring efforts, the first being under the Corporate Debt Restructuring Scheme in 2011 and the second was under the Strategic Debt Restructuring Scheme (“SDR Scheme”) in 2017.
5. As you would be aware, the Company and the promoters fully supported the SDR Scheme and in fact tried their level best to identify potential buyers. The promoter’s own shareholding was reduced below 3% of the equity capital post the SDR conversion and the SARFAESI action. Nevertheless we supported the sale and change of control / management without any demur or protest. However, the SDR sale process failed due to the external events (described above). It is worthwhile pointing out here that the Company paid over ₹ 11,445.78 Mn. in interest and principal repayments following the SDR conversion and did not default during the entire SDR period.

## B. SALE TO ARC AND ACTIONS BY EARC

1. Post the withdrawal of the SDR sale process due to the external circumstances, the lender forum decided to pursue the sale process to the ARC. This was a decision taken by the lenders by themselves and we were not involved in the process or any of the discussions with Edelweiss Asset Reconstruction Company Limited (“EARC”).
2. Be that as it may, we supported ARC sale process which was undertaken in August 2018. While majority (79%) of the lenders have assigned their debt to EARC, few lenders (21%) did not complete the assignment. We were constrained to initiate proceedings to complete the balance assignment as the Company was in urgent need to have its debt restructured to a sustainable level which could then result in restoration of value for the shareholders. While ideally EARC ought to have initiated the litigation, they failed to do so and as a result the Company had to commence the proceedings to protect the value of the assets. It may be noted that the Company had to finally approach the Supreme Court which has intervened in our matter on two separate occasions. All of this was undertaken by the Company in good faith, to complete the 100% assignment and so that we could restructure our debt, which had become unsustainable due to the external events described above.
3. Much to our disappointment, we came to realize that EARC consortium was in fact mostly being controlled and driven by Oaktree Capital which had used EARC’s platform to acquire the debt. Oaktree Capital as it transpires is a global credit fund interested only in maximising its returns at the cost of all other stakeholders. We realized this the difficult way as we engaged with them for over 18 months without being able to agree on a resolution plan. In our view Oaktree Capital’s demands were unreasonable and detrimental to other stakeholders.
4. EARC and Oaktree Capital effectively acquired the debt by attributing an enterprise value of ₹ 24,000 Mn. for the Company. While the business has eroded significantly since their entry, one would have imagined this amount to be the base value for any restructuring reference. However, Oaktree Capital insisted that debt levels be maintained over ₹ 45,000 Mn. This was unviable as clearly the revenues and EBITDA did not support such unsustainable levels. The management and promoters have opposed this strategy.



5. During the CDR, the Company serviced an effective rate of interest of 10.50% initially during 2011 to 2018 and there was to be an annual reset, which never took place. Oaktree Capital insisted on interest rate being 12%. This was also not feasible especially given the current interest rate economic landscape. This was a design on Oaktree's part to keep the Company in perpetual default and we continued to point out that the interest rate had to be lower for the Company to be viable at 8%.
6. Oaktree Capital was insistent on taking over the entire equity capital. Initially they wanted to acquire 90% but subsequently reduced that ask to 76%. The conversion was proposed for a very small portion of the debt that remained.
7. The last issue (in Paragraph 6 above) was something we had serious reservations about as it involved a significant dilution to the lenders who had converted their shares under the SDR Scheme as also other minority and public shareholders. This would cause a huge loss to public sector undertakings and something we were not comfortable with. We recall that at the time of the sale to EARC, the lenders had categorically decided not to sell equity shares (converted as part of the SDR Scheme) as lenders were of the view that ***"upon revival of the company, equity upside is expected, which results in better equity value for the equity held by the lenders"*** (Information Memorandum of Union Bank of India – July 2018). In view thereof, we were constrained to push back on this condition and insisted that it needed shareholders' consent. Whilst we believe that equity restructuring would be essential as part of the overall debt restructuring, the extent of dilution must be discussed with the shareholders after the same has been vetted and recommended by an independent agency based on an independent valuation. Moreover, in our view, the Reserve Bank of India has imposed a ceiling of 26% for equity to be held by an asset reconstruction company upon conversion of its debt. Recovering this also requires debt to be brought down to sustainable level.
8. Another important issue was relating to the Operations, Maintenance and Energy Management business of GTL Limited (**"OME Business"**). The OME Business was a crucial part of the network operated by the Company and in the present circumstance its in-sourcing was critical for the Company to ensure network stability.
9. After much persuasion, we managed to get Oaktree Capital to in-principally agree to a settlement of the OME Business. We were of the bona fide belief that the settlement was in the best interests of all stakeholders. From GTL Infrastructure Limited's ("GTL Infra") perspective, it brought stability and EBITDA accretion.
10. However, when we tried to pursue a settlement agreement following the receipt of an Arbitral Award in a claim filed against the Company and after dismissal of Company's appeal before the Delhi High Court, Oaktree Capital and EARC filed a series of allegations claiming certain wrong doings. We tried our best to explain that the settlement was subject to consent of both lenders of GTL Limited ("GTL") and GTL Infra and that Oaktree themselves had also agreed to the settlement in principle. However, Oaktree Capital and EARC have nevertheless pursued a malicious and unsubstantiated smear campaign against GTL Infra and myself personally. In fact to my great surprise after alleging certain wrong doings, now EARC has submitted revised resolution plan agreeing to OME on boarding and payment of necessary consideration attached thereto.
11. In these circumstances, it is submitted that EARC and Oaktree have intentionally created an environment of turmoil and hostility. During a meeting on April 30, 2020 they have personally belittled me and made baseless allegations against me without allowing an opportunity to even let me speak. They have consistently attacked me personally despite my bona fide attempts to act in the best interests of all lenders.
12. Be that as it may, given their vested commercial interests of maximising returns at any cost and their intent to defraud and destroy value for existing equity shareholders, I feel that it is unfair that all of this happens under my watch as the Chairman of the Company. As stated above, they are not interested in bringing debt to sustainable levels and are only keen in capturing all value for themselves alone by keeping huge debts in the Company's books and additionally diluting public sector lenders who converted their debt earlier.
13. The management and my entire bandwidth is spent trying to defend our actions and there has been no focus on growth and stability, especially given the telecom sector issues and the recent COVID impact. Customer contracts have already expired and we strongly apprehend that renewals will not be forthcoming due to the uncertainty surrounding our future on account of the pending NCLT applications and constant infighting. I also strongly apprehend that EARC and Oaktree Capital's intent is to drive this Company into NCLT where equity shareholders would be left with nothing.

## **C. CONCLUSION**

1. In conclusion, I wish to submit that all of my efforts to stabilize and revive the Company, in these challenging times involving shutting down and bankruptcies of large telecom operators and the inevitable tenancy difficulties of potentially two more operators (all of whom were / are our customers), have constantly been **frustrated largely by the EARC and Oaktree Capital** and a certain public sector lender. For ease of reference, their various actions which have led to this frustration are summarized as under:
  - a. Even though the assignment of loan by the lenders to EARC was a JLF decision with no role played by the Company, management or promoters, a public sector lender alleged nexus between EARC, Ernst & Young and me without any evidence.

- b. This particular lender refused to abide by the JLF decision and RBI guidelines to assign the debt to EARC and repeatedly tried to drag the Company into NCLT. Despite their first application being rejected by NCLT, they once again chose to initiate proceedings and we had to litigate all the way to the Supreme Court to get a status quo.
  - c. Despite a clear submission of no fraud or diversion in the periodic concurrent audit reports and also the forensic audit report accepted by lenders, repeated baseless and unsubstantiated assertions of mismanagement by EARC and Oaktree Capital have led to hostile and toxic atmosphere where management is unable to focus on stability and growth of the business.
  - d. Despite acknowledging the need for debt restructuring in JLF held in July 2019, the lenders consortium has repeatedly refused to execute the inter-creditor agreement and even discuss the seven different resolution plans submitted by the Company over the last 2 years. Oaktree Capital and EARC have failed to complete a TEV exercise, which is a requirement imposed by the RBI and which the Company has been seeking to better understand the realistic sustainable debt.
  - e. EARC and Oaktree alleged certain wrong doings between Company and GTL when the management initiated steps to settle GTL claims and insource OME based on an Interim Arbitration Award (passed by 3 retired Supreme Court Judges) and a High Court Order. This despite the fact that closure of settlement was “subject to lenders consent” and was in-principle agreed to by EARC and Oaktree Capital and it was the Company which voluntarily disclosed the existence of the settlement agreement to the lenders on April 23, 2020. However, it is pertinent to note that after initially challenging steps initiated by GTL Infra towards settlement/ insourcing OME with GTL, Oaktree Capital, via EARC, are now proposing to complete settlement/insourcing by making same payment / settlement over 18 months.
  - f. Unilateral debit of over ₹ 3,200 Mn. by EARC (with the recent debits being done in direct violation of the status quo order of the Supreme Court), barely leaving funds in the Company to run, stabilize and modernize network operations which are classified as essential service by government in COVID-19 Pandemic times.
  - g. Refusal / time wasting by Oaktree Capital and EARC to clear statutory and several operational demands, claims and dues such as GST, Property Tax, Legal Fees clearly exposing the entire Board of Directors and key management personnel to risk from the governmental authorities.
  - h. Despite stipulation in the MRA, repeated refusal by EARC and Oaktree Capital to nominate Board members to participate and oversee the functioning and decision making of the Company. Instead, EARC and Oaktree Capital continue to make baseless assertions without wanting to participate in the Board.
  - i. Despite repeated requests over last 3 years, no support from lenders in our effort to recover dues/claims of more than ₹ 140,000 Mn. from operators.
2. For me, restoring shareholders’ and other stakeholders’ value is of utmost priority and if change of management / promoter will result in value accretion for all stakeholder, I am willing to do that. Accordingly, I have even offered to handover management to Oaktree Capital and EARC on multiple occasions but they have chosen to ignore my offer.
  3. Further, as stated above:
    - a. The debt must be right sized to a sustainable level based on our current EBITDA of ₹ 1,982 Mn. (FY 2019-20). We believe this to be in the range of ₹ 15,000 Mn. to ₹ 18,000 Mn. (subject to the outcome of Vodafone Idea and BSNL related issues). In any event, this cannot exceed ₹ 24,000 Mn (cumulatively) which is the enterprise value which EARC and Oaktree Capital attributed at the time of acquisition of the debt.
    - b. The OME Business must be in-boarded after settling GTL claims and issues so that we can have full control over a critical element of the network operations. This requires Oaktree Capital / EARC to bring back ₹ 3,200 Mn. funds, taken away from your company.
    - c. The interest rates must reflect the current ground reality of 8% and not the 12% ask received from EARC.
    - d. The equity conversion cannot result in EARC and Oaktree Capital acquiring 76% of the post issue capital and must be confined to what is prescribed by Reserve Bank of India and subject to a reasonable assessment and valuation by an independent agency / PSU shareholders.

Under these circumstances, if the above issues are not appropriately addressed, I strongly believe Oaktree Capital and EARC will permanently damage the equity value and which goes against the express condition at the time of the EARC sale, where equity was to be revived post EARC sale after appropriate restructuring of loans, which is getting delayed due to disputes. It is with deep regret that I state that value will not be restored for our shareholders if EARC and Oaktree Capital continue to frustrate all our efforts to stabilize the operations due to their selfish and vested actions.

Thank you for your continued support,

**Manoj Tirodkar**

Chairman

GTL Infrastructure Limited

# MANAGEMENT DISCUSSION AND ANALYSIS

Our Towers are  
Enabling the  
New Normal



## BUSINESS SNAPSHOT

GTL Infrastructure Limited (GTL Infra or the Company) is a major independent telecom tower company (TowerCo) in India. The Company provides passive infrastructure on shared basis to telecom operators (Telcos) for hosting their active network components. The Company is IP-1 registered with Department of Telecommunications, India. The business model of passive infrastructure sharing is based on building, owning, operating and maintaining passive telecom infrastructure sites capable of hosting active network components of various technologies of multiple Telcos. This model enables Telcos to re-assign their resources from capital expenditure to operational expenditure model, thus allowing them to utilise capital for their core operations.

### Salient features of the passive infrastructure business model

- Capable of hosting multiple technologies such as 2G/3G/4G LTE/5G/loT and enterprise data systems etc.
- Growth tied to expansion of wireless networks and technology upgradation
- Annuity driven business model
- Long term (up to 15 years) contracts with Telcos, with a built in annual escalation
- Fixed energy management contracts with Telcos
- Relatively fixed cost structure and low level of maintenance
- Predictable free cash flows
- Additional tenancies (post anchor tenant) lead to higher EBITDA margins and higher percentage of revenue translating to cash flow

Company serves all major telecom operators in India. The Company's tower portfolio is spread across 22 Telecom Circles in India

## INDUSTRY STRUCTURE AND DEVELOPMENT

### i) Structure & business model of Telcos

(Source : [www.ibef.org](http://www.ibef.org) – IBEF Report – March 2020, TRAI)

- India – 2<sup>nd</sup> largest telecom network in the world with a total subscriber base of 1,172.44 Mn as of December 2019
- Tele-density grew from 18.23 % in FY07 to 88.56 % in FY20 (till December 2019)
- India – 2<sup>nd</sup> highest number of internet subscribers globally with an active subscription base of 530 Mn and growing since 2018
- India has the world's highest data usage per smart phone at an average of 9.8 GB per month (Source : *Ericsson Mobility Report, Nov 2018*)
- Availability of affordable smart phones with lower rates for data usage, expected to drive growth in the Indian telecom industry.
- India – 2<sup>nd</sup> in terms of number of telecommunication subscriptions, internet subscribers and app downloads globally, with highest data usage per smart phone at an average of 9.8 GB per month

## ii) Recent Trends and Growth Drivers for Telcos – Telecom 2020

(10th of February 2020) (Source : [www.alepo.com](http://www.alepo.com))

To embrace new technologies promising to revolutionize the telecom industry from 2020 onwards, Telcos must continue to invest in such infrastructure that would enable them to support and monetize these technologies. According to a recent global EY report, telcos are expected to pump more funds into overhauling their conventional IT infrastructure, making digital transformation a major driver this year, thus paving the way for a host of advanced customer-focused technologies: 5G, Internet of Things (IoT), Cloud Computing, Artificial Intelligence (AI), to name a few.

In fact, digitalization and 5G will be the key drivers affecting CAPEX growth as technologies transform telecom. 5G is expected to significantly change the face of telecommunications with Enhanced Mobile Broadband (eMBB), Massive Machine-type Communications (mMTC), and Ultra-Reliable and Low-Latency Communications (URLLC) – promising to deliver superfast wireless connectivity, lower latency, and digital innovations such as support immersive content [Augmented Reality (AR), Virtual Reality (VR)] and high-resolution video, thereby helping Telcos to deliver an unmatched customer experience to gain a competitive edge.

Cyber-Resilience – More importantly, given the vast and sensitive data stored on various complex networks, the telecom industry also continues to be most vulnerable target for cyberattacks. 5G brings with itself, its own set of security threats, and telcos must be prepared for any kind of direct / indirect cyber-attack. Effective cybersecurity must include the implementation of threat detection, incident response methods, and prevention methods.

## iii) Internet

(Source : *Economic Survey 2019–20*)

- Internet subscribers stood at 6,653 Lakh at the end of June 2019 as compared to 2,516 Lakh in 2014 of which mobile internet subscribers at end June 2019 were 6,436 Lakh and wireline internet subscribers at 217 Lakh.
- Total broadband connections increased by about ten times, from 610 Lakh in 2014 to 5,946 Lakh in June 2019. Data usage crossed the highest ever level of 462 Lakh terabytes thereby making India a global leader in monthly data consumption. The average data consumption per subscriber per month increased 157 times from 62 MB in 2014 to 9.8 GB in June 2019.



Maintenance activities continued during lock down period

- Cost of data also got reduced substantially, enabling affordable internet access for millions of citizens. For the quarter ending June 2019, the price of data was ₹ 7.7 per GB as compared to ₹ 200 per GB in June 2016.

(source:<https://taxguru.in/finance/industry-infrastructure-economic-survey-2019-2020.html>)

## iv) Significant industry events and developments in FY 2019–20

The telecommunications industry is critical to today's society's seamless functioning. It has allowed people to entertain themselves, work from home or access educational resources, helped authorities to put in measures to protect valuable assets, ensured consumers are able to continue with their daily lives, enabled emergency services to continue to function and research labs to collaborate to create the pandemic vaccine. In fact, it underpins the success of almost every element and facet of society. Unfortunately, the telecom sector continues to be under tremendous stress, though everyone realises its due importance.

(Source:<https://www.hindustantimes.com/analysis/in-covid-19-times-telecom-emerges-as-a-saviour/story-AE7sgE6IoUnWj3cW7zeRrN.html>).

Some of the significant industry events and developments during FY 2019–20 are briefly stated as under –

a) **Adjusted Gross Revenue (AGR) matter**

The Supreme Court delivered its verdict in the matter pertaining to the repayment of Adjusted Gross Revenue (AGR) dues by telecom companies on September 1, 2020. The Court allowed a 10-year timeline for payment of AGR dues by telecom companies, beginning from April 1, 2021. Accordingly, the Telcos are required to make an upfront payment of 10 percent of the dues and the date fixed for payment of annual instalment of AGR is February 7. The Supreme Court also clarified that there would be no revaluation of the dues.

(Source : *Moneycontrol.com* September 1, 2020)

Meanwhile, on October 24, 2019, the Supreme Court had upheld the expanded definition of AGR as stipulated by the DoT which included noncore services as well and ordered the Telcos to pay dues along with interest and penalty totalling ₹ 92,000 Crore.

(Source: <https://swarajyamag.com/news-brief/explained-the-long-history-of-adjusted-gross-revenue-agr-dispute-between-dot-and-telecom-companies>).

b) **Biggest loss reported by Vodafone Idea and Bharti Airtel**

For FY 2020, Vodafone Idea reported a consolidated audited record loss before tax of ₹ 61,797 Crore vis a vis ₹ 18,175 Crore for FY 2019, whilst Bharti Airtel posted a consolidated audited net loss of ₹ 42,846 Crore before tax for FY 2020 and correspondingly, ₹ 1,731 Crore for FY 2019. (Source: *respective corporate websites*)

c) **Others –**

- Whilst Telcos continue to focus on successful transition to 5G technologies for future as a revenue model, additional opportunity has presented itself for the Telcos in the form of huge surge in data demand due to NCOVID 19 pandemic. Evolving working models such as work from home, including video conferencing, VoIP calling, large file transfers over the internet, social media communication surge and home entertainment OTT tools like Netflix, Amazon Prime, Hotstar etc. requiring huge uptake of large chunks of data on a 24x7 basis have provided an impetus to the Telcos in terms of incremental cash flows and an increase in ARPU during this lockdown phase.
- Buoyed by this phenomenon, the Telcos

have renewed their efforts to enhance existing network capacities quickly and also enhance throughput for an enriched customer experience of their services. This incremental capacity augmentation is very good news for any TowerCo like the Company, which can benefit with additional revenue per site from their towers.

- Over 10 Telcos have shut down operations in the last few years, an aggregate debt of over ₹ 5 Lakh Crore, AGR dues of ₹ 1.3 Lakh Crore, future of BSNL and Vodafone Idea still uncertain, high regulatory fees and spectrum pricing and average ARPU still hovering around ₹ 160 per month, even after recent tariff hikes..

(Source: <https://www.thehindubusinessline.com/info-tech/is-indias-telecom-sector-starting-to-come-out-of-the-woods/article31499288.ece>)

(Source: <https://www.livemint.com/industry/telecom/telcos-seek-relief-measures-amid-covid-19-measures-11585838718306.html>)

V) **Indian Telecom TowerCos**

Broadly the tower companies can be categorized as:

- Operator owned tower companies (for e.g. – Indus, Bharti Infratel & Reliance Infratel)
- Independent tower companies (for e.g.– Tower Vision, Ascend, ATC & GTL Infra)
- Towers owned by Government Operators (for e.g. – BSNL & MTNL)

Merger of Indus and Bharti Infratel is likely to be completed soon. Reliance Jio (RJio) has already hived off its tower business into a separate entity, which will result into one more tower company.





## STRUCTURE & BUSINESS MODEL OF TOWER COS

Telecom towers form the backbone of wireless networks and provide last mile connectivity to subscribers. The Company played a pioneering role in shaping this industry and it was the first independent tower company in India to get listed on the stock exchanges.

Tower requirements usually depend on Network Coverage (which, in turn, depends upon geographical area, population density and spectrum bands) and Network Capacity i.e. maturity of wireless industry, cellular and data penetration and data usage per subscriber, quantum of spectrum and wireless data technology (whether it is 2G/3G/4G/5G).

As the number of tenants on a tower increases, tower companies are able to generate incremental revenue and EBITDA. The key driver of tower revenue growth is tenancy. Apart from tenancies, tower company revenues are also influenced by the pricing charged per tenant.

Operating cost components for the tower business are site rentals, repairs and maintenance, security charges, insurance and cost of outsourced resources. As major expense items are fixed in nature, cost for additional tenant is minimal. Hence, the tenancy ramp-up results in a significant percentage of incremental revenues, ROI and cash flow.

In the last one year there has been rapid data growth. This is coupled with decline in tariffs and ARPUs along with expansion of 4G Networks. However, recent data shows, there is increase in ARPUs.

To gain market penetration and 4G Network expansion at optimal cost, Telcos continued to rent towers from TowerCos, thereby considerably reducing costs while allowing them to focus on their core. Renting towers from TowerCos enabled these Telcos to go to market within a short time.

## NOTABLE TRENDS IN INDIAN TELECOM SECTOR

(Source: [www.ibef.org](http://www.ibef.org), various news sources, TRAI)

**Green Telecom** – The Government of India has proposed to set up a joint task force between Ministry of New and Renewable Energy (MNRE) and Department of Telecommunication in terms National Digital Communication Policy – released in September 2018 – to promote green technology in the sector.

**Expansion to Rural Markets** – Out of 62,443 uncovered villages in India; village telephone facility to be provided with subsidy support from the government's Universal Service Obligation (USO) Fund, thereby increasing rural tele-density, and as of November 2019, the rural subscriber base accounted for 43.36% of the total subscriber base, thereby fueling growth across the sector.

**Emergence of BWA Technologies** – The most significant recent developments in wireless communication include BWA technologies such as WiMAX and LTE. As of 2019, Bharti Airtel VoLTE and Reliance Jio 4G services are live across all the telecom circles. India is expected to be the second largest market in 5G services followed by China in the next 10 years.

**IoT** – IoT is the concept of electronically inter connected and integrated machines, to assist in gathering and sharing data. The Indian Government has planned to develop 100 smart city projects, where IoT would play a vital role in development of those cities. It has been reported that one of the Telcos has partnered with an international giant to set up a nationwide Internet of Things (IoT) network.

**Consolidation** – Vodafone India and Idea have merged into Vodafone Idea and are in the process of unifying assets to complete network integration. Similarly, Bharti Infratel and Indus too have announced their intentions to consolidate their tower base and usher in benefits of scale and efficiency within their operations.

**Rising Investments** – The new National Digital Communications Policy 2018 has envisaged attracting investments worth US\$ 100 billion in the telecommunications sector by 2022. Whilst, in December 2019, Airtel disclosed its plans to invest US\$ 2.86 billion for expansion of its business. Similarly, the investment cycle in RJio Platforms has been kick started with series of investments of over ₹ 150,000 Crore being made by reputed international entities to support its proposed next-generation, in-house built, end-to-end, 5G technology platform focused on delivering digital services across India, that promises to be scalable, fully automated and self-sufficient, used for several industrial and retail applications with broad band and voice being baseline of its technology.

**Policy Support** – FDI cap for the telecom sector increased from 74% to 100%, of which 49% will be done through automatic route and the rest will be done through the FIPB approval route. FDI upto 100% permitted for infrastructure providers offering dark fibre, electronic mail and voice mail, and further, under the Digital India programme of the Government of India. Besides telecom, healthcare and retail would also be connected through the internet.

(Source: TRAI) (Source: National Digital Communications Policy, 2018)



## OPPORTUNITIES / THREATS AND OUTLOOK IN INDIAN TELECOM SECTOR

(Source: KPMG, TRAI, Press Information Bureau, Govt. of India)

- i) **Strategies:** The Telcos use innovative marketing strategies to highlight their respective improved network performance. They differentiate themselves by providing different services to customers by partnering with the world's best – in terms of content and applications. Recently, many Telcos have already reduced number of plans and currently offer simple tariff plans along with marquee plans. This simplification has helped customers to choose the best deals for themselves, keeping price in mind.
- ii) **Opportunities:** Major opportunities in India are in the form of increasing mobile subscribers, expected to reach ₹ 1,420 Mn by 2024 from ₹ 1,200 Mn in 2018 (Source : Ericsson Mobility Report, Nov 2018), untapped rural markets with its rural wireless tele-density at 56.40 % (November 2019), rising internet penetration where the number of broadband subscribers stood at 687.62 Mn (November 2019) and planned development of telecom infrastructure with TRAI's support recommendation which includes tax benefits and recognising telecom infrastructure as "essential" infrastructure.

Additionally, industry growth at 18.3% CAGR in Mobile Value-Added Services (MVAS) and cloud computing is expected by end 2020 with revenue expectations

of approx. US\$ 23.8 Bn. In the mobile application segment, India in 2019 has already surpassed USA to become the 2nd largest market in terms of number of app downloads, which increased from 12.07 Bn in 2017 to 19 Bn in 2019 and is expected to reach 37.21 Bn in 2022, thereby registering a phenomenal 195% growth. Indian users spent about US\$ 370 Mn through app stores in 2019 and during Q1 of 2019, India became the world's fastest-growing market for mobile applications, growth evidently driven by increasing mobile connections and availability of low-range smart phones. (Source: Gartner, Deloitte, Assorted News Articles). Accompanied by growing cashless transactions through which consumers and merchants can pay and receive money instantly with and without an internet connection in March 2020, the value of Unified Payments Interface (UPI) transactions stood at ₹ 2.06 Lakh Crore (US\$ 29.47 Bn).

### iii) Threats and Challenges:

Some of the important threats / issues and challenges facing the telecom sector are pressure on margins on account of stiff competition, need to diversify offerings in the light of Internet of Things (IoT) and tapping new customer segments despite the lack of telecom infrastructure in semi-rural and rural areas characterised by hurdles such as Right-of-Way (ROW) entailing high cost for permitting laying of fiber.



Rural School staff connecting with students using tablet

Similarly, due to lack of fixed penetration (as only about 25% of towers in India are connected with fibre networks, 5G) throughput would be most challenging as towers would require very high-speed systems.

Further, applications such as WhatsApp, Telegram etc. do not currently seem to need any permission or a pact with Telcos, thus hampering their revenues.

Also, Hon'ble Supreme Court judgement in October 2019 about the definition of Adjusted Gross Revenues (AGR) for the purpose of determination of levies has also caused a lot of financial stress and anxiety amongst some of the Telcos.

Finally, due to myriad expectations of customers to mitigate cybersecurity risk, the Telcos must stay ever-vigilant in its fight against data breaches and malicious hacks. New businesses or retaining existing customers most likely would depend upon each Telcos' ability and commitment to successfully mitigate cybersecurity risk.

#### iv) **Operations:**

During the year, the number of tenants stood at 23,483 as on March 31, 2020, as against 24,104 as on March 31, 2019. The Company continued to maintain the average tenancy per occupied tower at 1.9 times.

The Company is of the view that even though the telecom sector (including the Company itself) lost sizeable number of tenants over the past few years due to the consolidation of business by Telcos and other factors, the Company looks forward to stabilise its operations primarily due to various growth factors including increase in data consumption, reduction in smart phones prices, improvement of data networks, capacity enhancements and auctioning of higher frequencies for 5G etc. as described elsewhere in this report. A focused approach by the Company for continuously rebuilding its business is already being implemented. However, factors beyond management control can still affect the telecom sector and with it, the Company's performance. Stability will depend on sustainable debt and restructuring.

#### v) **Pandemic NCOVID 19:**

##### ***Telecom services classified as "Essential Services"***

The pandemic NCOVID 19 induced a global economic slowdown in all industry sectors where stakeholders experienced value erosion. Though the telecom sector has been classified as "Essential Services" by the Government of India, challenges have been for our field team facing lot of vehicle movement restrictions from various authorities at check posts, difficulty in movement of materials from circle / warehouse to tower sites due to unavailability of logistics transport and apparent disruption in work schedule of various employees due to unprecedented lockdown and gaining uncertainty.

##### ***Objectives and strategy***

The Company immediately focused on four major objectives namely, ensuring business continuity for our customers,

ensuring health and wellbeing of our employees, protect their jobs and achieve cash flow targets for the Company. Separate groups consisting of all relevant decision makers, were set up, using available technology. Regular updates and important information were posted and decisions/ approvals and necessary resources were handed out quickly for implementation. Outcome is that due to focused approach and effective management, the Company was able to maintain nearly "business as usual" performance during these tough times.

##### ***Customer Engagement***

Hence, due to the above timely measures, the Company could achieve improved network uptime in most Circles as well as rollout of tenancy and upgrades, as per customer committed timelines. Consequent to previously digitized operating processes, through proper collaboration and with due integration of enhanced security measures, all functions of the Company worked towards customer centricity. The Company effectively dealt with the onslaught of 2 Cyclones namely Amphan and Fani and was one of the fastest to restore all sites amongst major Towercos. The Company also received appreciation from various customers for its efforts and it was heartening to realise that our customers continued to experience the same energy and delivery certainty from the Company, as before.

##### ***Employee Well being***



Not only did our employees exhibit high level of commitment to maintain networks as part of Essential Services, but they also appreciated various initiatives undertaken by the Company continuously, for their well-being. None of the employees availed leave ever since the lockdown started and most of our employees have reported safe. Nevertheless, with each employee, the Company frequently reinforces to follow all guidelines issued by various state and Central Governments, from time to time.

##### ***Near term outlook post NCOVID 19***

The impact on country's economy due to NCOVID 19 pandemic would be colossal and expected to be challenging for all sectors, at least in the near term. Additionally, most of the Telcos also face an immediate impact on their cash flows due to AGR dues. Hence, their need to preserve cash would spur them to look for various partners to support them, mainly to maintain high network uptime and optimization of various cost components. The Company intends to use this

opportunity to continue to strengthen its long term relationship with its customers.

More importantly, the Company would need capex for adding / retaining / upgrading tenants, end-of-life equipment replacements, site rectification, besides summer / monsoon site readiness. It is equally important to note that the Company's cashflows and EBITDA may be subjected to further stress in the near term due to above factors, further lockdowns, and other competitive pressures.

**Conclusion**

In conclusion, though the pandemic NCOVID 19 completely reversed the forward momentum, on the positive side, the robust operating metrics bearing the customers' satisfaction and resultant appreciation for services rendered by the Company were indeed deserving, despite the pandemic NCOVID 19 presenting us an operational challenge of scale, speed and complexity. Equally true

was the high morale and well-being of our employees, which continued unabated.

Further, the speed with which the Company and its employees were able to switch to a fully distributed model was possible only due to inherent resilience of Company and its employees, infrastructure support and timely and effective management intervention. Even when a difficult and uncertain period is entered into, the ability of our Company to deliver on its commitments with dedicated people has indeed, been a game changer.

vi) **Future Outlook:**

While business environment continued to remain challenging during the last financial year, the Company focussed on network consolidation by reducing costs on its non-radiating sites and adding capacities through incremental tenancies on the towers. Efforts for providing better network uptime continue despite tremendous challenges put forth by NCOVID 19 pandemic and the subsequent lockdown is enforced by the Government authorities.

**BUSINESS GROWTH**

NCOVID 19, lockdown, work from home, entertainment at home and such developments have resulted in upsurge of data and reliability of network connectivity. Thus, Telcos have started to focus on QOS, network uptime, throughput, and increased capacities to capture the additional demand from their customers.

The Company has aligned itself with its Telco customers to participate in this expansion and support them with incremental tenancy additions on its towers.

The Company has also planned for deployment of Capex and Opex as may be required to build these additional capacities on towers, besides continuing to focus on tenant retention and uptime improvement of its tower network.

**COST OPTIMIZATION**

The Company continues to take proactive steps to mitigate industry repercussions on account of possible economic recession, an aftermath of lockdown and NCOVID 19 pandemic, by not only continued efforts on cost rationalisation on non-radiating sites, but also on radiating sites, which is expected to conserve cash in the near term and also protect the Company during such times.

The focus is to continually review and eliminate leakages in site operational costs, implementing innovative solutions to usher cost savings, bring down cost consumption at sites and invest in new technology / solutions to improve network services to the customers.

**The Company has prioritised action plans for rebuilding its business**

**RECOVERIES FROM CUSTOMERS**

The Company continues its efforts towards recovering its contractual claims of approximately ₹ 152,065 mn from its customers who have either closed down their business or have got merged with other Telcos or even exited their tenancies, much ahead of their respective contractual commitment.

The Company has already initiated arbitration and recovery proceedings against such defaulting customers or has submitted its claims with respective Resolution Professionals where Corporate Insolvency Resolution Process has been initiated against some of these customers.

**REALIGNMENT OF DEBT**

Due to unprecedented exits of telecom operators, the revenue of the Company ceased immediately, but associated costs could not be restricted due to contractual commitments. As a result, the Company was left with huge operational costs on un-occupied towers.

There was, thus, an urgent need for realignment / restructuring of the Company's overall debt to a sustainable level in line with resultant cashflows.

Hence, in accordance with the revised guidelines issued by the Reserve Bank of India, the Company has presented a Resolution Plan starting from July 2019 for consideration of lenders' consortium updating such plans from time to time after taking into account various developments in telecom sector and continues to engage with lenders for quick implementation of the same in order to restructure debts to sustainable levels and to create value for all stakeholders, including lenders and minority shareholders.

## DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

The Financial Year (“FY”) 19–20 is the thirteenth year of operations for the Company. The discussion and analysis of ‘Results of Operations’ and ‘Balance Sheet’ that follows are based upon the financial statements, which have been prepared in accordance with the Accounting Standards notified under the relevant provisions of the Indian Companies

Act, 2013 as amended from time to time and adopted consistently by the Company and further based on guidelines issued by the Securities and Exchange Board of India (SEBI), to the extent applicable.

### Segment wise reporting

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

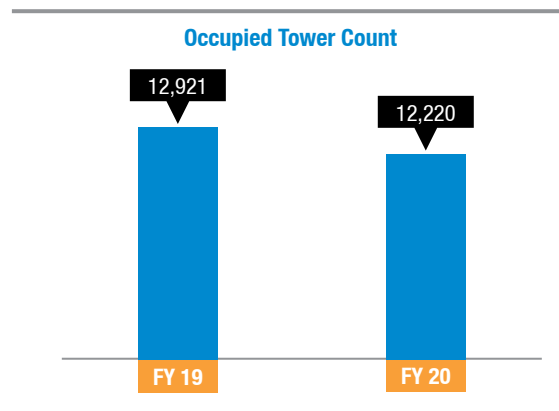
Particulars	FY 19–20		FY 18–19	
	₹	US\$	₹	US\$
<b>Summary of Financials (In Mn)</b>				
Revenue from Operations	14,169	188	15,002	200
Less:				
Infrastructure Operation & Maintenance Cost	8,643	115	10,839	144
Employee Benefit Expenses	614	8	671	9
Other Expenses	1,435	19	1,027	14
Ind AS and other Adjustments (net) [Refer Note 1 & 2]	1,495	20	(15)	(0.2)
Adjusted Costs	12,187	162	12,521	167
Normalized EBITDA [Refer Note 1]	1,982	26	2,481	33
Normalized EBITDA %	14%	14%	17%	17%

- Normalized EBITDA is calculated after considering all costs related to operations but excludes Ind AS impact on P&L items, foreign exchange difference, loss on sale of FA, one-time payment towards settlement of disputed tax under SVLDRS, other one-time expense/revenue, non-operational expenses/other income etc. Figures for the previous financial year have been regrouped / rearranged wherever necessary to make them comparable with that of FY 19–20.
- Ind AS 116: Effective April 1, 2019, the Company has adopted Ind AS– 116 “Leases” under modified retrospective approach without adjustment of comparatives and has considered a Right of Use (ROU) Assets and corresponding lease liabilities of ₹ 7,109 Mn during the Year ended March 31, 2020. Due to transition, the nature of expenses in respect of non-cancellable operating lease has changed from lease rent to depreciation and finance costs for the ROU assets and lease liabilities respectively. This has resulted in increase in depreciation and amortization expense of ₹ 1,289 Mn, finance costs of ₹ 640 Mn and decrease in infrastructure operations and maintenance cost of ₹ 1,602 Mn and decrease in other expenses of ₹ 21 Mn for the Year ended March 31, 2020. Please refer Note no. 3 and 37 in the financial statements for further details.
- Due to non-payment by BSNL and certain disputes with VIL and related exits, EBITDA is impacted.

### Tower Count Vs Financial & Operational Performance

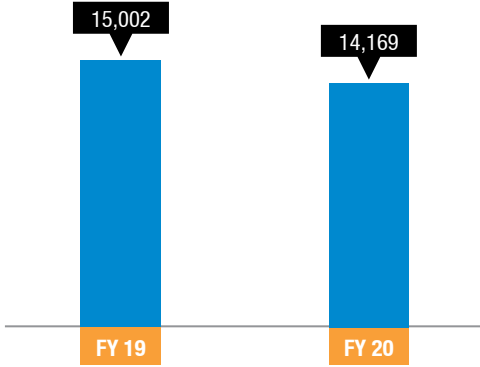
**Impact of Industry Consolidation and Exits:** Various developments in Indian Telecom Sector during last few years including forced consolidation and exits in the telecom sector, which were beyond the control of the Company and the management, impacted the Company adversely. The impact of such consolidation by Telcos continued in the current financial year as well, which coupled with BSNL tenancy exits due to uncertainty of payments, impacted financial performance of the Company. The matter further compounded with the landmark decision of the Hon’ble Supreme Court in October 2019 in AGR issue putting additional cashflow pressure on telcos. The exits of Telcos/tenancies led to (i) revenue ceasing almost immediately resulting in loss of 5.6 % of the Revenue, (ii) lower than expected Revenue growth and (iii) drop in EBITDA, but the related costs corresponding to these ‘ceased’ Revenue continued due to various contractual obligations.

### Occupied Tower Count



Occupied tower count reduced to 12,220 as of March 31, 2020 from 12,921 as of March 31, 2019.

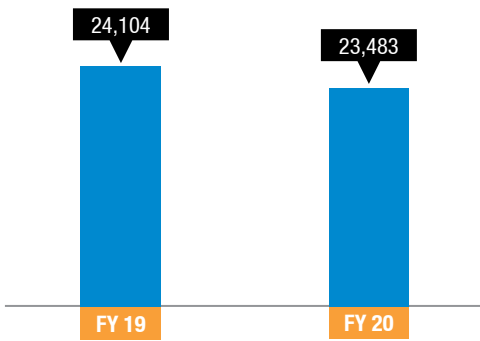
Revenue in ₹ Mn



Revenue from Operations reduced from ₹ 15,002 Mn as of March 31, 2019 to ₹ 14,169 Mn as of March 31, 2020.

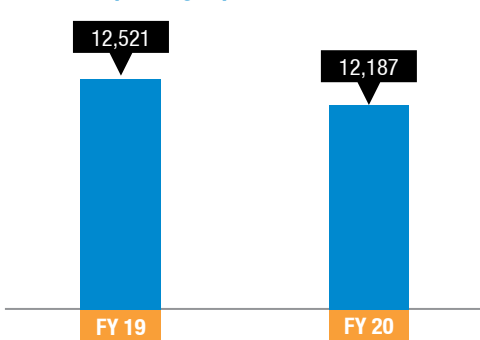
Tenants

Tenants



During the year the Company added 1,437 new tenants. However, the Company lost 2,058 tenants mainly due to continued consolidation by Telcos and BSNL / VIL exits due to uncertainty of payments. As a result, there is net reduction in tenancy count during FY 19–20. As on March 31, 2020 the tenancy count stood at 23,483 tenants.

Operating expenses in ₹ Mn



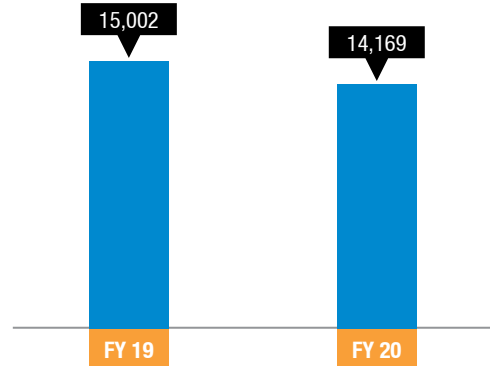
Operating Expenses were restricted to ₹ 12,187 Mn as of March 31, 2020 due to cost rationalization measures undertaken by the Company.

Revenue from Operations

The Company's revenue from Operations has decreased from ₹ 15,002 Mn (US\$ 200 Mn) in FY18–19 to ₹ 14,169 Mn (US\$ 188 Mn) in FY 19–20.

This decrease is mainly on account of continued consolidation by Telcos and BSNL / VIL exits due to uncertainty of payments.

Revenue in ₹ Mn

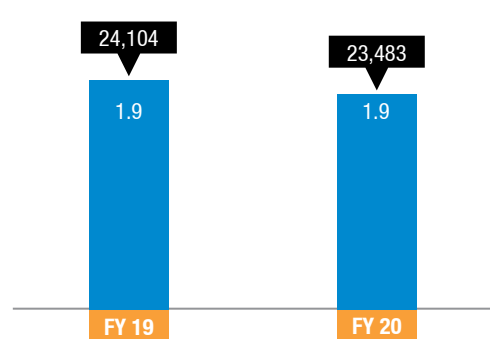


Occupied Towers, Tenants and Tenancy Ratio

The Company owns 27,209 towers out of which 12,220 were occupied with 23,483 Tenants having a Tenancy Ratio of 1.9 on occupied towers as of March 31, 2020.

Whereas as on March 31, 2019, 12,921 towers were occupied with 24,104 Tenants having a Tenancy Ratio of 1.9 on occupied towers.

Tenancy and Tenancy Ratio



**Other Income** includes interest income, profit on sale / fair value gain on current investments, miscellaneous income etc.

The other income of the Company stood at ₹ 203 Mn (US\$ 3 Mn) in FY 19–20 as compared to ₹ 120 Mn (US\$ 2 Mn) in FY 18–19.

### Operating Expenses

#### Infrastructure Operations & Maintenance Cost (net of recovery) – (Infra O&M cost)

The Infra O&M cost consists of rentals for cell site premises, cell site security costs, power & fuel expenses, cell sites operations & maintenance costs, annual maintenance charges for network assets such as diesel generators, air conditioners, battery banks, towers etc. Out of the above, major costs such as rent, power and fuel are recoverable from customers as per respective MSA.

	₹ Mn	
Infrastructure Operations & Maintenance Cost	FY 19–20	FY18–19
Site rental including service charges (net)	2,385	2,336
Power, Fuel & Maintenance charges (net)	1,214	1,480
Repairs & maintenance to plant and equipment	120	233
Stores & spares consumption	1	1
Other Operating Expenditure – Security	747	799
<b>Total</b>	<b>4,467</b>	<b>4,849</b>

The figures mentioned above for site rental and power, fuel & maintenance charges are reported net of recovery from customers and excludes Ind AS impact

The Infra O&M cost (net of recovery) of the Company stood at ₹ 4,467 Mn (US\$ 59 Mn) as on March 31, 2020.

- Site Rental:** Increase in site rental cost by 2.12% during the year is mainly attributable to yearly escalations / renewals as per agreement with landlords / requirement of specialised sites by Telcos.
- Power, Fuel & Maintenance (net):** The decrease in Power, Fuel & Maintenance cost is mainly on account of cost optimization initiatives of the Company and tenancy exit as a cause of continued industry consolidation and AGR impact during FY 19–20.
- Repairs & Maintenance:** Repairs & Maintenance cost stood at ₹ 120 Mn during FY 19–20 against ₹ 233 Mn during FY 18–19.
- Other Operating Expenditure:** Other Operating Expenses mainly consist of site Security cost. On account of company's cost optimization initiatives, Site Security cost stood reduced to ₹ 747 Mn during FY19–20 from ₹ 799 Mn for FY 18–19.

### Network Uptime & SLA

The Company continues to offer best possible services to its customers and it has been able to maintain network uptime as per SLAs under normal conditions in certain circles. The Company undertook several initiatives to further improve

the network uptime under difficult terrains and situations. However, lack of capex / new investments due to restructured debt, impacts uptime in some areas.

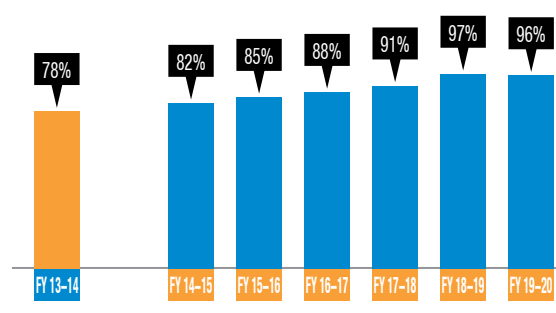
### CAPEX

During the year, the Company continued to judiciously invest capex for the upgradation of its network. This resulted in maintaining network uptime and reduced SLA penalties at few sites. Various projects were undertaken by deploying Capex not only at chronic SLA defaulting sites but also at business critical customer's sites. As a part of Company's going forward priorities of being committed towards supporting our customers and Governments efforts as an essential service provider, the Company plans to invest approximately ₹ 1,000 Mn during FY 20–21 towards network upgradation and revenue protection, subject to approval from lenders / restructuring debt.

### Electrification & Diesel Free Sites

Total EB connected occupied site count stood at 96% as of March 31, 2020. The reduction in EB connected site % is mainly attributable to such sites becoming unoccupied during the year.

EB sites as % of Occupied Towers as on March 31



The number of operational 'Diesel Free Sites' on the entire portfolio are 2,869 as of March 31, 2020.

### Employee Benefit Expenses

The 'Employee Benefit Expenses' includes salaries and allowances, contribution to provident fund, gratuity fund and other funds besides employee welfare and related expenses.

Employees Benefit Expenses	FY 19–20	FY 18–19
In ₹ Mn	614	671
In US\$ Mn	8.2	8.9
Expenses as % of revenue	4%	4%

The Company's employee benefits expenses stood at ₹ 614 Mn (US\$ 8.2 Mn) for FY 19–20 as compared to ₹ 671 Mn (US\$ 8.9 Mn) for FY 18–19. This reduction is mainly attributable to cost optimization initiatives undertaken by the Company.

## Other Expenses

This mainly comprises of admin costs such as rentals of office/warehouse, travel and conveyance, insurance premium, audit fees, legal & professional fees etc.

Other Expenses	FY 19–20		FY 18–19	
	₹ Mn	US\$	₹ Mn	US\$
Total Other Expenses	1,435	19	1,027	14
Less: One–time & Other Adjustments	(704)	(9)	(62)	(1)
Total Other Expenses (Normalised)	730	10	965	13
Other Expenses (Normalised) as % of revenue	5%	5%	6%	6%

The above figure of One–time and Other Adjustments comprises of loss on sale of FA, one–time payment towards settlement of disputed tax under SVLDRS, etc.

## Earnings before Interest, Taxes, Depreciation and Amortisation (Normalized EBITDA)

Financial Year	FY 19–20	FY 18–19
In ₹ Mn	1,982	2,481
In US\$ Mn	26	33

### Normalized EBITDA

The Telcos continued to exit mainly on account of continued consolidation by Telcos and BSNL / VIL exits due to uncertainty of payments, thereby resulting in reduction of revenue while the related cost for these revenue continued due to contractual obligation. Cost Optimization Plan put in place during FY 19–20 helped in reducing the contractual obligations and the Company was able to maintain normalized EBITDA for FY19–20 at ₹ 1,982 Mn. (refer note no. 1 to “Summary of Financials”).

### Depreciation and Amortization expenses

Depreciation and Amortization for FY 2019–20 was ₹ 6,344 Mn (US\$ 84 Mn) as compared to ₹ 6,236 Mn (US\$ 83 Mn) for FY 2018–19. Depreciation and Amortization for FY 2019–20 includes ₹ 1,289 Mn on account of Ind AS (refer note no. 2 to “Summary of Financials” on Ind AS 116).

### Exceptional Items –

- Due to various events that took place in the telecom sector, the Company has carried out an impairment test of its property, plant and equipment in accordance with the Indian Accounting Standards (Ind AS) 36 – ‘Impairment of Assets’ and found that the Carrying cost of these assets exceeds its value in use; therefore, an impairment loss of ₹ 4,095 Mn has been recognized for year ended March 31, 2020 and the same has been disclosed as exceptional item (FY 18–19 ₹ 5,770 Mn).

- Pursuant to the Energy Management & Field Level Management Services Agreement and Suspension Agreement, GTL Limited (“GTL”), invoked arbitration against the Company claiming ₹ 6,900 Mn along with damages under its recovery. Arbitral Tribunal of 3 (Three) retired Supreme Court Judges has been formed and on examination of the underlying facts, the Hon’ble Tribunal passed its interim award dated December 17, 2019 directing the Company to pay an amount of ₹ 4,400 Mn. The Company preferred an appeal before the Hon’ble Delhi High Court, while confirming the interim award passed by the Arbitral Tribunal, the appeal was dismissed by the Hon’ble Delhi High Court. In view of the Arbitration award and dismissal of appeal by Delhi High Court, the Company has provided ₹ 4,400 Mn as exceptional items (FY 18–19 – NIL).

### Bad Debts, Provision for Trade Receivables & Energy Recoverables

During year ended March 31, 2020, the Company has considered provision towards receivables of ₹ 500 Mn (US\$ 6.6 Mn) and write off of ₹ 67 Mn (US\$ 0.9 Mn) against opening provision mainly owing to uncertainty of revenue recovery from BSNL, owing to its recent defaults in revenue collections, during the year. However, the Company would continue its effort to recover its claim from BSNL.

### Exchange Differences (Net)

Exchange difference for the FY 19–20 stood at ₹ 331 Mn (US\$ 4 Mn) as compared to ₹ 233 Mn (US\$ 3 Mn) in FY 18–19 mainly represented by measurement of FCCBs as of reporting date at the prevailing exchange rates.

### Finance Costs

Finance costs (net) comprises of interest expenses, Finance cost on Lease Liability as per Ind AS 116 (refer note no. 2 to “Summary of Financials” on Ind AS 116) and Exchange difference as an adjustment to borrowing cost. Finance costs for FY 19–20 stood at ₹ 6,622 Mn (US\$ 88 Mn) as compared to ₹ 5,334 Mn (US\$ 71 Mn) in FY 18–19. The increase is mainly attributable to Ind AS 116 and exchange difference.

## BALANCE SHEET ITEMS

### Fixed Assets

The carrying amount of these assets comprising of Property, Plant and Equipment, Capital Working Progress, Intangible Assets, Right of Use Assets and Investment Property as on March 31, 2020 stood at ₹ 64,971 Mn (US\$ 864 Mn). The capital work–in–progress comprises mainly of capital goods. (refer note no. 2 to “Summary of Financials” on Ind AS 116).

The Company, in accordance with the Indian Accounting Standard (Ind AS 36) ‘Impairment of Assets’, performed an impairment test based on current expectations of the impact of recent developments in telecom Sector on projected cash flows in tower business.

The Carrying cost of these assets exceeds its value in use and accordingly impairment loss of ₹ 4,095 Mn (US\$ 54 Mn) has been recognized for the year ended March 31, 2020 and the same has been disclosed under exceptional items. The Company continues to pursue contractual claims of approximately ₹ 152,065 Mn (US\$ 2023 Mn) arising out these developments.

#### Other Non-Current Assets

Other Non-Current Assets of the Company stood at ₹ 1,083 Mn (US\$ 14 Mn) as on March 31, 2020 as compared to ₹ 943 Mn (US\$ 12 Mn) as on March 31, 2019. The Non-Current Assets primarily consist of site related electricity and rent deposits, capex advance, tax assets etc.

#### Borrowings

Particulars	March 31, 2020		March 31, 2019	
	₹ Mn	US\$ Mn	₹ Mn	US\$ Mn
<b>Secured debt</b>				
<b>Rupee term loans:</b>				
Banks, Financial Institutions & Asset Reconstruction Trust	40,662	541	40,663	541
<b>Foreign currency loans:</b>				
Financial institutions	624	8	585	8
<b>Total Secured loans</b>	<b>41,286</b>	<b>549</b>	<b>41,248</b>	<b>549</b>
<b>Unsecured loans:</b>				
FCCB <sup>#</sup>	<b>6,502</b>	<b>86</b>	<b>6,012</b>	<b>80</b>
<b>Interest accrued- due and not due</b>	<b>9,336</b>	<b>124</b>	<b>3,523</b>	<b>47</b>
<b>Total Borrowings</b>	<b>57,124</b>	<b>759</b>	<b>50,783</b>	<b>676</b>
<b>Ind AS Impact*</b>	<b>1,685</b>	<b>22</b>	<b>1,867</b>	<b>25</b>
<b>Total</b>	<b>58,809</b>	<b>781</b>	<b>52,650</b>	<b>701</b>

Note:

<sup>#</sup>The increase in FCCB amount is purely on account of exchange difference.

<sup>\*</sup>Ind AS impact in borrowings is separately shown in the abovementioned table for better understanding.

The borrowings (including current maturities and interests) of the Company as on March 31, 2020 stood at ₹ 57,124 Mn (US\$ 759 Mn) as against ₹ 50,783 Mn (US\$ 676 Mn) as on March 31, 2019. It comprises of rupee term loans, foreign currency term loans and FCCBs. These borrowings are measured at amortised costs on the reporting date in terms of relevant Ind AS requirements.

As per the arrangements with the lenders, the Company is required to comply with certain covenants and non-compliance with these covenants may give rights to the lenders to demand Repayment of the loans. To comply with the requirement of Ind AS -1 "Presentation of Financial Statement" and as an abundant precaution the Company has classified Non-Current borrowings as Current Financial liability first time in the Balance Sheet as at March 31, 2019. It is the contention of the Company that moment 75% of lenders

#### Equity

##### Equity Share Capital

The paid up equity share capital of the Company stood at ₹ 123,191 Mn (US\$ 1,639 Mn) as on March 31, 2020 as compared to ₹ 123,191 Mn (US\$ 1,639 Mn) as of March 31, 2019.

Particulars	₹ Mn	US\$ Mn
Other Equity as on March 31, 2019	(106,486)	(1,417)
Add: Total Comprehensive Income for the year	(18,638)	(248)
Other Equity as on March 31, 2020	(125,124)	(1,665)

assigned their financial debt to ARC, the rest of the lenders, in the opinion of the Company, are obligated to transfer their financial debt to Edelweiss Assets Reconstruction Company Limited (EARC) pursuant to paragraph 6.4 of the Master Circular dated July 1, 2015 issued by the Reserve Bank of India on Prudential Norms on Income Recognition Assets Classification and provisioning pertaining to Advances (IRAC) Guidelines. All the rights & liabilities including right to claim & demand any interest or principal related to their debt have deemed to be assigned and vested unto and in favour of EARC. The Company was up to date with its debt servicing to all lenders till August 2018. Subsequently, more than 75 % of lenders have sold & assigned their debt under IRAC Guidelines unto and in favour of EARC. During the year ended March 31, 2020, 0.41% of Indian Rupee Debt of ₹ 1,666 Lakhs have been assigned in favour of Edelweiss Asset Reconstruction Company ("EARC"); accordingly, total assignment till date



amounts to ₹ 322,625 Lakhs constituting 79.34% of total Indian Rupee Debt. The Company is in discussion with EARC to restructure its debt to bring it down to sustainable level. Further, the Company is also contesting and pursuing legal proceedings to enforce Reserve Bank of India's Master Circular on "Prudential Norms on Income Recognition, Assets Classification and Provisioning Pertaining to Advances" dated July 1, 2015 ("IRAC") clause 6.4 (d) (ii) against remaining lenders. Pursuant to the same, the Company has not obtained balance confirmations from these lenders. The proceeding initiated by one of the remaining secured lenders, as stated above, allegedly claiming ₹ 64,638 Lakhs has filed proceedings before the National Company Law Tribunal (the "NCLT") under Insolvency and Bankruptcy Code 2016 which has not been admitted so far. The Hon'ble Supreme Court vide its order dated March 6, 2020 was pleased to issue notice and directed the Respondents to maintain status quo in the matter.

#### Other Non-Current Liabilities

The non-current Liabilities of the Company stood at ₹ 6,567 Mn (US\$ 87 Mn) as on March 31, 2020 as compared to ₹ 2,239 Mn (US\$ 30 Mn) as on March 31, 2019. The non-current Liabilities primarily consist of lease liabilities, provisions related to assets retirement obligation, deposits received from customers etc. (refer note no. 2 to "Summary of Financials" on Ind AS 116).

#### Current Assets

The current assets of the Company stood at ₹ 8,248 Mn (US\$ 110 Mn) as on March 31, 2020 as compared to ₹ 6,399 Mn (US\$ 84 Mn) as on March 31, 2019. The current assets primarily consist of trade receivables, cash and cash equivalents, opex advances, deposits, balance with authorities, unbilled income, tax etc.

Particulars	FY 19-20		FY 18-19	
	₹ Mn	US\$ Mn	₹ Mn	US\$ Mn
Inventories	26	0.3	31	0.4
Investments	601	8	106	1
Trade receivables	794	11	1,076	14
Cash & cash equivalents	2,186	29	664	9
Other bank balances (note)	2,937	39	1,678	22
Loans	157	2	358	5
Others	1,547	21	2,486	33
<b>Total</b>	<b>8,248</b>	<b>110</b>	<b>6,399</b>	<b>84</b>

Note- Towards contingent & other liabilities and GTL Arbitration claim. Please refer note no. 36(a), 38, 39 and 40 of the financial statements for further details.

#### Current Liabilities

The current liabilities of the Company were ₹ 10,861 Mn (US\$ 144 Mn) as on March 31, 2020 as compared to ₹ 4,064 Mn (US\$ 55 Mn) as on March 31, 2019. These Liabilities primarily consist of provision towards arbitration claim raised by GTL, lease liabilities, statutory dues, Assets retirement obligation (ARO) and operational provisions toward site rent, site EB etc.

Particulars	FY 19-20		FY 18-19	
	₹ Mn	US\$ Mn	₹ Mn	US\$ Mn
Trade payable	164	2	200	3
Lease liabilities	1,674	22	-	-
Deposits from customers	542	7	419	6
Advance Revenue	74	1	82	1
Operational provisions, property tax etc.	8,030	107	3,304	44
Others	377	5	59	1
<b>Total</b>	<b>10,861</b>	<b>144</b>	<b>4,064</b>	<b>55</b>

- Borrowings, though disclosed under Other Current Financial Liabilities in Balance Sheet for the reasons specified therein, are not considered in the abovementioned analysis but duly covered under the heading borrowings above
- Please refer note no. 2 on Ind AS 116 under summary of "Summary of Financials"

### Summarized Liability Statement of the Company

Following are various liabilities of the Company including contingent liabilities as on March 31, 2020

₹ Mn

Particulars	Liabilities provided in the Books of Accounts	Contingent Liability	Total Liability
Creditors	174	–	174
Rent	3,038	–	3,038
<b>Major Provisions</b>			
EB & Diesel	596	–	596
O&M– FLM & related	4,000	2,500	6,500
Security/KHA	70	–	70
Salary & employee related liabilities	14	85	99
<b>Demands under dispute</b>			
<i>Indirect taxes</i>			
Against Demand– J&K	–	526	526
Against Demand– Right to Use	–	1,271	1,271
Against Demand– Trading in securities	–	385	385
Restoration of Cenvat Credit	–	799	799
GST on arbitration dues	–	833	833
Indirect taxes others	–	72	72
<b>Others</b>			
Bond Holder Dispute	–	1,755	1,755
Property Tax	401	1,012	1,413
NOC/Stamp Duty	–	754	754
Canara Bank	3,275	3,188	6,463
Labour Related dispute	–	279	279
Other legal cases	–	91	91
Commercial Dispute	–	1,617	1,617
<b>Total</b>	<b>11,568</b>	<b>15,167</b>	<b>26,735</b>
Statutory dues of the Above			5,220

1. Due to adverse telecom sector developments beyond management control over last few years, the Company is saddled with operational costs and claims related to 14,989 unoccupied towers resulting from customer exits, vendor claims related to contractual defaults by operators, certain statutory levies/claims due to recent judicial pronouncements related to telecom industry and demands under dispute. This was largely due to 18 (regional and national) telecom operators in 2010/2012 being reduced to 3/4.
2. As a matter of abundant precaution and on the basis of legal advice and Board of Directors' directions, the Company followed a policy of earmarking funds towards certain statutory dues / other commitments / contingent liabilities such as Service Tax, Property Tax, Operational Dues etc. considering the possibilities of payments under protest.
3. The Resolution Plan submitted by the Company to EARC provides for earmarking of funds towards the above. However, EARC's refusal to approval such earmarking (despite approval from the lender appointed Concurrent Auditor after receipt of due information/documentation) and subsequent unilateral incorrect debit of ₹ 3,200 Mn by EARC for their benefit without settling statutory and operational liabilities has jeopardized the Company's ability to discharge its obligations towards statutory and operational dues.

### Significant Changes in Key Financial Ratios

Ratio	Unit of Measurement	March 31, 2020	March 31, 2019	Reasons for variation
Debtors Turnover	No. of Times	<b>8.2</b>	8.7	1. Please refer note no. 58 & 3(a)(vi) in financials which explains the causes of variation in key financial ratios
Interest Coverage Ratio	No. of Times	<b>0.5</b>	0.4	
Debt Equity Ratio*	No. of Times	<b>(30.4)</b>	3.2	2. Calculation of Current Ratio includes borrowings classified as current in terms of Ind AS 1 (refer note no 20.1)
Operating Profit Margin	%	<b>17.7</b>	16.5	
Net Profit Margin	%	<b>(131.5)</b>	(102.7)	
Current Ratio	No. of Times	<b>0.1</b>	0.1	
Return on Net Worth / Equity	%	<b>0<sup>#</sup></b>	(92.2)	

Note: Above figures are before considering the impact of Ind AS.

\* Debt to equity is negative because of negative net equity

# Return on Networth can not be defined as denominator and numerator functions are negative for ratio calculation. Loss for the year of ₹ (186,354) Lakhs and Net Equity of ₹ (19,330) Lakhs.

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## DEBT RESOLUTION PLAN

### Telecom Sector Developments post CDR

As reported from time to time, due to slowdown in telecom sector since 2010–11 coupled with constant increase in interest rates affecting profitability of entire telecom sector, the Company had undertaken Corporate Debt Restructuring (CDR) exercise under the aegis of CDR mechanism in July 2011. Post implementation of the CDR package, the telecom sector continued to be under relentless stress, which had material adverse impact on the achievement of the Company's CDR projections. Some of the adverse developments, which were beyond the management control have been enumerated below:

- Decision of cancellation of 122 2G licenses upheld by the Hon'ble Supreme Court;
- Cancellation of 'Right of First Refusal' by Aircel Group;
- Vodafone Tax Litigation;
- Slower 3G & BWA growth;
- Freeze on substantial expansion by telecom operators;
- Lack of deployment of capex for modernization and replacement

As a result, in 2016 the lenders of the Company invoked Scheme of Strategic Debt Restructuring (SDR) as per guidelines issued by the Reserve Bank of India. The Company fully cooperated with the lenders in SDR implementation. The Company also complied with the stipulations under SDR including that of merger of Chennai Network Infrastructure Limited with the Company and steps taken towards induction of new investor. Since SDR, the Company paid ₹ 11,445.78 Mn towards debt servicing in terms of SDR.

### Telecom Sector Development post SDR

However, various extraneous developments in telecom sector subsequently such as (i) aggressive pricing by Telcos; (ii) reduction in interconnect usage charges and (iii) increasing unsustainable levels of debts of existing Telcos, impacted the profitability / cash flow of all participants in the sector making it unsustainable to remain viable and / or continue operations as evidenced through series of events / announcements listed below:

- Aircel Group's admission to National Company Law Tribunal (NCLT) under Insolvency & Bankruptcy Code (IBC) in 2018;
- Reliance Communications Limited (RCom) decision to shut down wireless business and subsequent filing of insolvency petition with NCLT under IBC in 2017;
- Sale of Sistema Shyam Teleservices Limited (SSTL) to RCom and consequent merger of both in 2017;
- Tata Group's decision to exit telecom business and consequent merger Bharti Airtel Limited (Bharti Airtel) and Tata Teleservices Limited (TTSL) in 2017;
- Vodafone India Limited (Vodafone) and Idea Cellular Limited (Idea) merger in 2018;
- Bharti Airtel and Telenor (India) Communication Private Limited (Telenor) merger in 2017

All of these factors have had a material adverse effect on the Company and its future business prospects. The table below, clearly highlights the impact of tenancy loss the Company faced over the last 9–10 years, despite having long term binding contracts with the telecom operators:

Sr. No.	Events of Tenancy Loss	No. of Tenancy	Period	Comments
1.	Cancellation of 2G licenses	4,319	February 2012	Supreme Court Judgement on cancellation of 122 2G telecom licenses
2.	Aircel default of ROFR commitment	15,200	May 2014	Legal and financial issues
3.	Slower 3G/BWA growth	4,750	Since April 2013	Industry slowdown following the Supreme Court verdict
4.	Exits during business course with various reasons	2,966		
5.	Operator scale back due to auction	3,500		
6.	Aircel filing of bankruptcy	23,727	February 2018	Unsustainable business due to competition
7.	RCom shutdown of wireless business	1,386	August & September 2017	
8.	Tata exit from wireless business	2,888	Since December 2017	
9.	Merger of Vodafone and Idea	2,718	Since September 2018	Forced industry consolidation due to competition
10.	Consolidation of Telenor with Airtel	1,395	During FY 2018–19	
	<b>Aggregate tenancy loss from 2012 to 2020</b>	<b>62,849</b>		

Thus, these extraneous developments in telecom sector especially during the last 3–4 years, once again unavoidably pushed the Company to a position from where it will require to again rebuild itself and also to realign its overall debt (including unsecured foreign currency bonds) to sustainable level with revised cash flows.

### **Assignment of Debt to ARC**

By its circular dated February 12, 2018, the Reserve Bank of India withdrew and repealed the CDR and SDR guidelines. Although the Company was regular and current in its interest and principal payments to lenders as per SDR terms, purely on technical grounds as per RBI's circular dated February 12, 2018, certain lenders downgraded the account.

Post these various adverse developments in telecom sector, the Company had proactively presented a resolution plan on April 27, 2018 (with an intent to maximize recovery of dues) to the lenders who constituted a significant majority of the outstanding debt of the Company.

However, the lenders had elected to pursue sale of their debt to an Asset Reconstruction Company (ARC). Edelweiss Asset Reconstruction Company Limited, acting as a trustee on behalf of EARC – Trust SC 338 (“EARC”), emerged as the highest bidder in July, 2018 on a Swiss auction basis conducted by the lenders. As on July 31, 2020, 79.34% of the Indian Rupee Lenders have assigned their respective rights, title and interest in the financial assistance granted to the Company in favour of EARC. As per Reserve Bank of India's Master Circular on Prudential Norms on Income Recognition, Assets Classification and Provisioning Pertaining to Advances dated July 1, 2015 issued by the Reserve Bank of India (“IRAC Guidelines”), in case of a sale of financial assets to an EARC by lenders of a consortium, if 75% in value of the consortium accept the offer from the ARC, the balance are obliged to assign their debt to EARC. However, few lenders chose not to assign the debt in line with IRAC Guidelines. Instead, Canara Bank chose to file Insolvency Application. Initial application was dismissed following the Hon'ble Supreme Court's decision in Dharani Sugar vs. Union of India & Ors. Fresh application was filed before NCLT, Mumbai, once again seeking initiation of CIRP in respect of the Company and allegedly claiming a default of ₹ 6,464 Mn in aggregate, which has not been admitted so far. The Hon'ble Supreme Court vide its order dated March 6, 2020 was pleased to issue notice and directed all parties to maintain status quo in the matter.

Meanwhile, the RBI issued the Prudential Framework for Resolution of Stressed Assets on June 7, 2019 (“Prudential Framework”). In view of the Prudential Framework, the Company has once again requested the remaining lenders to comply with their obligations under the IRAC Guidelines and complete the assignment / sale of their financial interest in the Company to EARC without any further delay.

### **Resolution Plan under Prudential Framework**

In accordance with the revised guidelines, the Company has also presented a Resolution Plan starting from July 2019 for consideration of lenders' consortium updating such plans from time to time after taking into account various developments in telecom sector.

One of the critical components for success of the proposed Resolution Plan and subsequent updated Resolution Plans submitted by Company was insourcing of the OME contract from GTL Limited (“GTL”) into the Company at a fair value. Such insourcing would result into significant savings to the Company and support servicing of proposed sustainable debt as per the Resolution Plan.

With reference to the claim of GTL related to OME / TSP contracts with the Company, an interim arbitration award was passed in favor of GTL on December 17, 2019 wherein the Company was directed to pay ₹ 4,400 mn to GTL. The Company's appeal in the Delhi High Court against the said interim arbitration award was dismissed by the Delhi High Court. In compliance with the arbitral award and High Court order, given the ongoing discussions of insourcing of OME with EARC Consortium and submissions of GTL of their negotiated settlement with its lenders before end March 2020, the Company entered into a settlement agreement with GTL in March 2020. Subject to approval of respective lenders of both companies, the Company handed over payment instruments of ₹ 3,123 Mn. to GTL in March 2020 as part amount towards settlement of all claims of GTL on the Company and also insourcing of OME into the Company. However in April 2020 despite the interim arbitral award and High Court order, the lender consortium refused to approve the settlement agreement terms and directed the Company to recover the payment instruments from GTL and deposit the same into the TRA account. Accordingly, the Company complied with the directions of the lender consortium and deposited the said amount in TRA account.

However, this action of lenders jeopardized the proposed Resolution Plan submitted by the Company. As an alternate to using the funds for insourcing OME, Company's proposal for one time settlement of remaining lenders was also rejected by the EARC consortium.

Thereafter, in May 2020 the Company has once again submitted an updated Resolution Plan to the lenders. In the meantime, lenders appropriated ₹ 3,200 mn. from TRA account of the Company without taking consent of the Company against which the Company has raised objections. The Company believes that such appropriation is incorrect and illegal and in direct violation of the status quo order of the Supreme Court.

In terms of the Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (vide Notification No. DNBS.2/CGM(CSM)–2003 dated April 23,

2003), as amended from time to time, the securitization company (SC) / reconstruction company (RC) should mandatorily assess sustainable debt on the basis of evaluation of detailed business plan with projected level of operation, which can be serviced by the Company and also complete the resolution within the planning period (i.e. 6 months). Further, SCs / RCs are permitted to convert a part of residual unsustainable debt into equity of the borrower company as a measure of asset reconstruction provided their shareholding does not exceed 26% of the post converted equity of the company under reconstruction. Further, in terms of the RBI Guidelines on Sale of Stressed Assets (DBR. No.BP.9/21.04.048/2016–17 Circular dated September 1, 2016), banks are permitted to sell their stressed assets to SCs/RCs. The said guidelines also provides for price discovery and valuation exercise to be undertaken to ensure banks do not sell at a low price. Thus, there is implied assumption that the fair value or base for resolving the debt to sustainable levels would be the bid value, which in this case is ₹ 24,000 Mn.

However, EARC consortium's demands relating to conversion of debt into equity in excess of 76% is against the aforesaid mandate issued by RBI and also the earlier agreed position with Public Sector Lenders whereat the original offer of ₹ 24,000 Mn. was only to acquire to the financial debt of the lenders and even after assignment of financial debt, Public Sector Lenders continue to hold the equity in the Company and are entitled to get the upside thereto.

EARC consortium was fully aware of the status of the Company at the time of assignment and had an obligation to restructure the debt in time bound manner in 6 months after completing TEV study as per RBI guidelines, which EARC consortium has failed to do.

## RISK MANAGEMENT

This report, prepared in accordance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provides an overview of key strategic risks, the Company's risk control framework and its approach to risk management.

Shareholders and other readers are cautioned that the risks outlined here are not exhaustive and are for information purpose only. New risks and uncertainties arise from time to time and it is impossible for us to predict these events or how they affect us.

### Introduction – Objectives & Approach

The Company conducts risk management activities covering all of its operations with the aim of taking pre-emptive actions to mitigate sources of risk, that is, any factors that could potentially impede the accomplishment of business objectives.

At the Company, risk management is at the core of the operating structure of the group and functions in parallel with the development and execution of management strategies. The Company's senior management and core functional officers, being the Chairman, Whole Time Director, Chief Financial Officer,

Chief Operating Office and the Legal and Secretarial teams, as a matter of routine, assess potential operating and strategic risks informally in order to ensure that the Company at all times has a mitigation plan. The Company believes that by combining these two functions, it is better positioned to accomplish its business objectives and to increase its value.

The Company seeks to achieve an appropriate balance between risk and reward, and continue to build and enhance the risk management capabilities that assist in delivering the growth plans in a controlled environment. Thereby, the Company seeks to limit adverse variations in earnings and capital by managing risk exposures within agreed levels of risk appetite.

### Market Risks

Revenue from existing business lines are dependent on the sustainability of the Telecom sector in turn is dependent on several macro-economic factors, such as the growth of the Indian economy, favourable interest rates, increased transparency and certainty in the regulatory environment, the cost of spectrum and the overall stability of the Indian Telecom sector.

Based upon the spectrum auctions, the license charges paid by the telecommunications operators (Telecom Operators) will continue to impact the net margins of the Telecom Operators. Hence, the increased capital charges (the interest outgo on account of debt raised for 3G and 4G network rollout, and the amortization of spectrum charges) would place additional pressure on Telecom Operators' bottom lines.

As the revenues from company's tower business are dependent on the sustainability of Telecom sector, Company believes that macro-economic factors, including the growth of Indian economy, interest rates as well as political & economic environment, have a significant direct impact on company's business, results of operations & financial positions.

Recently, the Hon'ble Supreme Court ruled that AGR for Telecoms should include all revenue accrued to the carriers, including from non-core activities. The decision has gone against the telecom operators, another devastating blow to the telecom sector. Bharti Airtel and Vodafone Idea have been saddled with dues of around ₹ 355,860 Mn and ₹ 530,390 Mn respectively. This clearly is likely to cause a huge strain on the operators.

### Industry Risks

#### Medium-term Credit Risk

During the last few years, the Telecom Sector has been adversely affected by the general economic slowdown and various other factors, such as slower growth of 3G/4G technology, delayed spectrum auctions and inflationary power and fuel costs, resulting in a cash flow crunch. All Telecom operators are facing increased pressure on earnings and debt servicing. During last couple of years free voice with cheap data services and aggressive tariff structures have placed additional burden on the top-line of the Telecom Operators.

This may impact payment obligations of the Telecom Operators in the short to medium term. As a vendor to these Telecom Operators, the company is currently facing a credit risk in the medium term. However, the Company believes that the entry of new operator will eventually result in sectoral growth (as was previously envisaged) in the long-term, which is expected to generate incremental cash flows for the Company.

### **Operator Consolidation**

The average revenue per user in India is amongst the lowest in the world. Further, in recent years, the industry has been through a phase of hyper-competition, resulting in consolidation amongst operators, phasing out many of the incumbent players leading to loss of tenancies. The consolidation wave has reduced the number of players to about three-four as of 2020 from 18 regional and national players in 2010/12. The consolidation of operators has resulted in co-location churn for tower companies due to consolidation and rationalization of network. The Company has been a clear victim of the recent consolidation. This consolidation has resulted in significant loss of tenancies for the Company.

The Company proposes to leverage existing lock-in arrangements in its contracts with operators to procure commitments for fresh towers or sites in lieu of towers or sites made redundant as a result of consolidation onslaught in the telecom sector.

### **Liquidity Risk**

The Supreme Court ordered in December 2016 that mobile towers are exigible to property tax. The said adverse ruling means significant additional costs for telecom tower operators, resulting in a strain on liquidity. This issue affects all telecom infrastructure providers. The Company has agreements with some of its customers for reimbursing on the property tax liability and is currently negotiating similar rights with all its customers, so the Company may be in a position to recover additional costs. In addition, under the TRA waterfall mechanism, the priority is given to statutory levies from the available cash flow.

At this moment, it is not possible to ascertain exact amounts involved. However, the Company has challenged the various components and retrospective levy of property tax demands raised by the respective Municipal Corporations.

### **Strategic Risks**

#### **Concentration Risk**

There is a high concentration risk for the Company for the following reasons:

The Company operates primarily in one sector namely, the Telecom Sector

The telecom sector moving towards an oligopolistic structure, with three players accounting for more than 90% of market share, will pose challenges for Tower companies. This will put pressure on rent revenue per tower as the number of tenants per tower would go down.

Further, the stressed financial condition of debt-laden telecom incumbents will restrain any material hike in rentals, at least over the medium term.

### **Risk on account of Customers Overdue Recovery**

#### **INSOLVENCY OF CUSTOMERS**

Aircel was the Company's single largest customer, contributing around 45% of revenue. On March 1, 2018, Aircel Group voluntarily filed for insolvency proceedings before National Company Law Tribunal, Mumbai ("NCLT"). The Company has filed its claims against Aircel Group before Resolution Professional (RP) amounting to ₹ 133,940 Mn as financial creditor and other claims relating to Corporate Insolvency Resolution Process cost amounting to ₹ 2,481.9 mn. The Misc. Applications Filed by company challenging reclassification of the company from Financial Creditor to Operational Creditor and subsequent verification of the Company's claims as Financial Creditor has also been disposed of and the Company's claim has been rejected by the NCLT on November 27, 2019. Against the said order, GIL has also filed an appeal being Company Appeal Company Appellate Tribunal, Insolvency (AT- Insolvency) No.08 of 2020 before NCLAT challenging that portion of the Order dated November 27, 2019 to the extent it relates to NCLT Mumbai rejecting GIL's claim as Financial Creditor. The Company's another Misc. Application Claiming CIRP Cost has been approved by the NCLT vide order dated November 27, 2019 and December 06, 2019. Resolution Professional has filed an appeal being Company Appeal (AT) (Insolvency) No.1410 of 2019 against Para 33 of the Order dated November 27, 2019 passed by NCLT and second appeal being 1503 of 2019 filed by the Resolution Professional against the order dated December 06, 2019 (which is essentially clarified and extensions of earlier order stated at Para 33 of order dated November 27, 2019). SBI & COC has also filed an appeal being Company Appeal (AT) (Insolvency) No.26-27 of 2019 and opposing CIRP payments to GIL. The RP has filed an application under Section 31 before the NCLT for approval of the Resolution Plan and the same has been approved by the NCLT on June 9, 2020. The Company has filed an appeal before NCLAT against the said order of NCLT Mumbai dated June 9, 2020.

The Company's claim against Reliance Communication Limited and Reliance Telecom Infratel Limited (including that of Shyam Sistema Pvt Ltd) to the tune of ₹ 1501.9 Mn. as Operational Creditor has been filed before IRP on May 21, 2019 and moratorium period is effective. No invitation has been given to the Company for Committee of Creditors meeting as our claim does not meet the criteria of 10% claim.

In April, 2018 State Bank of India had filed Insolvency Petition against Videocon Telecommunications Limited and the Petition was admitted by the NCLT Mumbai and IRP has been appointed. The Company has filed its claim to the tune of ₹ 654.1 Mn as an operational creditor and moratorium period is effective. No invitation has been given to the Company for Committee

of Creditors meeting as our claim does not meet the criteria of 10% claim.

However, since the above referred telecom operators are undergoing the Corporate Insolvency Resolution Process (CIRP), it remains to be seen what residual value would be left for distribution after appropriation by the secured banks / lenders, especially post recent proposed amendments in Insolvency & Bankruptcy Code thereby bringing clarity on preference to financial creditors over operational creditors / unsecured financial creditors. There is a significant risk that there may not be any monies left after distributing proceeds to the secured banks / lenders of these telecom operators. Such unprecedented shutdown of network operators has led to frustration of various network improvisation measures that the Company had undertaken and also led to shrinking of cash flow.

### RECOVERY PROCEEDINGS

Further, Tata Teleservices Limited (TTSL) and Tata Teleservices (Maharashtra) Limited (TTML) announced their intention to close down their wireless operations in India in or around October 2017. Subsequently thereto, TTSL and TTML announced a merger with Bharti Airtel Limited (Bharti Airtel) whereby its customers and the spectrum has been taken over by Bharti Airtel together with its liability towards spectrum to pay instalments in future to Government of India. As it is unfolded, it appeared that the contracted tenancy obligations which were to be transferred to Bharti Airtel, did not actually get transferred as part of the transaction with Bharti Airtel. Consequently, exit notices were issued by TTSL and TTML for its tenancies with the Company. TTSL and TTML also owes several amounts to the Company under multiple binding agreements and the Company under believes it would be essential to proceed for recovery. As such company has invoked arbitration proceedings against TTSL and TTML before the 3 Arbitrator Tribunal comprising of Hon'ble Retd. Justice S. N. Variava (Being presiding Arbitrator), Hon'ble Retd. Justice F. I. Rebello and Hon'ble Retd. Justice A. P. Shah. Company has filed its Statement of Claim and TTSL and TTML have filed their Statement of Defence along with Counter Claim. Issues have been framed and the matter is posted for evidence. As on June 30, 2020, the Company has a claim of ₹ 558.5 Mn. TTSL and TTML.

Telenor, which has now been merged with Bharti Airtel also owes several dues to the Company under multiple agreements. By letter dated May 15, 2018 addressed to the company, Bharti Airtel assumes all responsibilities, obligations under the contracts to themselves and promises to honour the obligations of Telenor towards the company. The Company is taking all legal steps possible to recover the said legitimate dues of the Company. As on June 30, 2020, the Company has a claim of ₹ 88.3 Mn. against Telenor.

Through ATC Telecom Private Limited ("ATC"), Company had provided Infrastructure Services to Telenor (India) Pvt. Ltd. Since Telenor got merged into Bharti Airtel Limited, consequently, exit notices were issued by ATC for its tenancies with the Company taken for its Customer Telenor. ATC also owes several amounts to the Company under multiple binding agreements and the Company under believes it would be essential to proceed for recovery. As such company has invoked arbitration proceedings against ATC before Single Arbitrator Hon'ble Retd. Justice Manmohan Singh. Company has filed its Statement of Claim and ATC has also filed their Statement of Defence. Issues have been framed and the matter is posted for evidence. As on June 30, 2020, the Company has a claim of ₹ 401.5 Mn. against ATC.

Since 2010, the Company had been providing infrastructure provisioning and energy services to Bharat Sanchar Nigam Limited (BSNL) on more than 2700+ sites across the country. However, the Company had, off and on, experienced delays and defaults in recoveries of its dues for such services rendered by it. Recovery of dues from BSNL further got deteriorated. There were huge overdues of BSNL for over six months or at times, in respect of some sites, even upto a year. As on June 30, 2020, the total outstanding dues are approximately ₹ 2,949 Mn. Considering recent news articles about financial crisis at BSNL, there is significant risk that the Company may not receive its legitimate dues.

Since 2007–2008, the Company had been providing infrastructure provisioning and energy services to Vodafone Idea Limited (Earlier known as Idea Cellular Limited and Vodafone India Limited (VIL), now both merged in August, 2018) on more than 7,600 tenancies across the country. Since August, 2018 till June, 2020 VIL has given exit notices on 2,678 sites, out of the said sites 1,250 sites are within lock in period. The Company has raised the exit penalty claim to the tune of ₹ 703.5 Mn along with interest of ₹ 112.7 Mn as on June 30, 2020. In the recent news article in The Economic Times, Mumbai Edition of July 9, 2020, which indicates that VIL is losing subscribers at an alarming rate and its survival is dependent on capital infusion by its promoters. Several earlier press reports indicate that the promoters have ruled out any further capital infusions. Company has send several reminder letters to VIL, to pay the exit penalty claim and other charges i.e. IP Fees, unilateral deductions etc. which are long pending since more than 20 months. As on June 30, 2020, the total outstanding claim are approximately ₹ 1,573.8 Mn. Considering recent news articles about financial crisis at VIL, there is significant risk that the Company may not receive its legitimate dues.



Following table depicts claims of the Company as on June 30, 2020 against telecom operators:

(in ₹ Mn.)

Name of Operators	Amount of claim
Aircel Group	133,940
Aircel Group – Maxis	10,000
Vodafone Idea	1,574
TTSL & TTML	559
BSNL	2,949
Telenor (merged with Airtel)	88
RCom & RTL (with SSTL)	1,502
Videocon Telecommunications Ltd	654
ATC Telecom	402
Others	398
Total	152,065

\*Certain operators have disputed the claims of the Company

#### RISK OF SUSTAINABILITY OF DEBT

The various extraneous developments in telecom sector as reported from time to time especially during the last 18–24 months, once again unavoidably pushed the Company to realign its overall debt (including unsecured foreign currency bonds) to sustainable level with revised cash flows. In April 2018, the Company had proactively presented a resolution plan (with an intent to maximize recovery of dues) to the lenders who constituted a significant majority of the outstanding debt of the Company. Instead the lenders had elected to pursue sale of their debt to an Asset Reconstruction Company (ARC). As on August 31, 2020, 79.34% of the Indian Rupee Lenders have assigned their respective rights, title and interest in the financial assistance granted to the Company in favour of Edelweiss Asset Reconstruction Company Limited, acting as a trustee on behalf of EARC – Trust SC 338 (“EARC”).

As per Reserve Bank of India’s Master Circular on Prudential Norms on Income Recognition, Assets Classification and Provisioning Pertaining to Advances dated July 1, 2015 issued by the Reserve Bank of India (“IRAC Guidelines”), in case of a sale of financial assets to an EARC by lenders of a consortium, if 75% in value of the consortium accept the offer from the ARC, the balance are obliged to assign their debt to EARC.

Few lenders did not assign their debt as mandated under IRAC Guidelines. Instead, Canara Bank chose to file Insolvency

Application. Initial application was dismissed following the Hon’ble Supreme Court’s decision in Dharani Sugar vs. Union of India & Ors. Fresh application was filed before NCLT, Mumbai, once again seeking initiation of CIRP in respect of the Company and allegedly claiming a default of ₹ 6,463.8 Mn in aggregate.

The Company had filed Writ Petition before the Hon’ble Bombay High Court, seeking a writ of mandamus against the Canara Bank and other dissenting Banks to assign the debts owed by the Company in favour of the EARC in accordance with the Prudential Framework and also sought status quo against NCLT Proceedings. The Hon’ble Bombay High Court dismissed the Writ Petition vide its Judgment dated February 3, 2020 holding that the Company have option to press for writ grounds before NCLT and no interference in Writ Jurisdiction necessary.

Consequently, the Company has filed Special Leave Petition (“SLP”) challenging the Bombay High Court’s order. The Hon’ble Supreme Court vide its order dated March 6, 2020 was pleased to issue notice and directed the Respondents to maintain status quo.

Further, the said lender i.e. Canara Bank and also Indian Bank have filed an application against the Company for recovery of its debts before the Debt Recovery Tribunal, Chennai. Since, the said lender is bound under IRAC Guidelines to assign its debt to EARC, the Company is contesting the same. The status quo order of Hon’ble Supreme Court is applicable to this case as well.

Post striking down of February 12, 2018 circular by the Hon’ble Supreme Court, on June 7, 2019 the RBI issued the Prudential Framework for Resolution of Stressed Assets (“Prudential Framework”) governing resolution of stressed assets. In accordance with the new framework, the Company has presented a Resolution Plan for consideration of lenders consortium in July 2019. Despite acknowledging the need for debt restructuring in JLF held in July 2019, neither the Inter Creditor Agreement is yet executed nor have the lenders engaged in any meaningful discussions to arrive at mutually acceptable and viable resolution plan to stabilize and grow the company. Further, a Techno–Economic Viability Study, as suggested by lenders consortium for better understanding of the realistic sustainable debt, was also delayed by EARC Consortium without any justifiable reason. Instead EARC consortium have insinuated that it is the Company which has delayed restructuring.

Thus, any delay in implementation of the Resolution Plan will negatively impact the sustainability of the Company. Further, any attempt to pursue a resolution plan under Insolvency and Bankruptcy Code (“IBC”) will lead to erosion of debt and equity value.

EARC consortium is in fact mostly being controlled and driven by Oaktree Capital which had used EARC’s platform to acquire the debt. Oaktree Capital as it transpires is a credit fund interested only in maximising its returns at the cost of all other stakeholders. We engaged with them for over 24 months

without being able to agree on a resolution plan. In our view Oaktree Capital's demands, such as debt in excess of ₹ 45,000 Mn., equity holding of 76% against conversion of small portion of debt diluting shareholding of public sector banks / financial institutions who converted debt under CDR and SDR schemes and other minority shareholders, rate of interest @ 12% etc., were unreasonable and detrimental to other stakeholders, as debt restructuring on such terms is not viable considering revenue and EBITDA of the Company.

Further, ERAC consortium unilaterally debited ₹ 3200 Mn. (in direct violation of the status quo order of the Supreme Court), has created liquidity issues and non-availability of funds to meeting operational and statutory liabilities.

The aforementioned acts of the EARC consortium may result in permanent damage to equity holders of the Company.

#### **GTL-GIL ARBITRATION RISK**

Arbitration has been invoked by GTL Limited ("GTL") against the Company for GTL's historical claims before Three (3) Supreme Court retired Judges ("Tribunal"). On examination of the factual matrix, an interim award for the admitted dues of ₹ 4,400 Mn has been passed by the Tribunal. The Board of the Company directed the management to file an appeal before Hon'ble Delhi High Court against the said Interim Award. However, the Hon'ble Delhi High Court although appreciated GIL's argument raised for uncontrolled situation in telecom sector and other defences, took a view that the Interim Award passed by Arbitral Tribunal is not at all bad in law and thus proceeded to dismiss the appeal.

OME activity is critical for maintaining network on towers of the Company. The Company did its best to contest the claims of GTL. It has appealed to EARC consortium for settlement of GTL's claim along with on-boarding of OME, however EARC consortium continues to oppose the proposed settlement with GTL. Thus, any material action by GTL can impact network significantly.

#### **RISK RELATED TO LITIGATION WITH EARC**

EARC has filed a Commercial Suit before Hon'ble Bombay High Court against the Company, GTL and Mr. Manoj Tirodkar praying for permanently restraining Company from transferring, alienating and / or conveying the amount owed by Company to GTL under an interim arbitral award dated December 17, 2019 or any amount owed in favour of GTL. No interim order has been passed by the Hon'ble Bombay High Court.

EARC has also filed an appeal before Hon'ble Delhi High Court against the Company and GTL, challenging the interim arbitral award dated December 17, 2019 passed by Tribunal in arbitration matter between the Company and GTL. Interim application is fully heard and argued and the same is reserved for order.

EARC has also filed an intervention application in the Execution Petition filed by GTL Limited against the Company.

If EARC is successful in its suit / appeal, while monetarily it will benefit the Company, its impact on GTL and its continued services to the Company cannot be ascertained. Since OME is critical for the stability of network of the Company and is being managed by GTL, it may impact network significantly. Certain third party employees and vendors may vandalize the network if settlements are not paid to them and cost may escalate.

#### **FOREIGN CURRENCY CONVERTIBLE BONDS RISK**

The terms and conditions of the Series A FCCBs, which are otherwise compulsorily convertible into equity upon maturity, provide that principal will become immediately due and payable upon certain events of default under such Series A FCCBs, which include certain cross-defaults triggered by defaults under other debt instruments. The Company received a notice of acceleration from Citicorp International Ltd., the Trustee of the Series A FCCBs, at the direction of a holder of 25% or more of the Series A FCCBs, calling upon the Company to repay principal amount claiming the same as outstanding under Series A Bonds. The said acceleration notice is based on an alleged cross-default triggered by a delinquent interest payment on the Series B FCCBs and the Company is defending the case. The Series A FCCB Trustee has filed Commercial Suit before the Hon'ble Bombay High Court in November 2017 for recovery of US\$ 27.21 Mn [equivalent to ₹ 1,755.39 Mn (as per US Dollar rate of 64.5136 as on December 4, 2017)] and also seeking to injunct mandatory conversion of the bonds into equity. However, the Bombay High Court refused to grant any interim relief in the matter and accordingly, the Company has converted US\$ 19.022 Mn. worth of Series A Bonds into equity. In the suit, the Trustee has also demanded interest at the rate of 7.5335% per annum on the Redemption Amount from the date of filing of the above suit till the realization of the amounts owed by the Company to the Trustee. The said suit is presently pending before the High Court for adjudication.

However, for the bondholders on behalf of whom the Trustee has filed the said suit, the Company has been unable to credit the resultant equity shares to respective bondholders, on account of the non-availability of a demat accounts of such bondholders from the Trustee. Thus there is a risk that in case the Commercial Suit is allowed, then, as claimed by the Trustee the Company would be liable to pay to the trustee the outstanding amounts in terms of Acceleration Notice and the Company would be liable to pay to the Trustee the aforesaid sum of US\$ 27.21 Mn with further default interest on the Redemption amount.

#### **Competitive Risks**

The competition is intense among the incumbent tower companies. Telecom Operators such as Bharti Airtel and Vodafone Idea have business interest and ownership in the TowerCo Bharti Infratel – Indus. Similarly Reliance Jio has business interests in the upcoming TowerCo being formed with Brookfield. It is expected that these TowerCos will get preference of new sites from Bharti Airtel, Vodafone Idea and Reliance Jio respectively.

To mitigate this, the Company would continue to render SLA driven services and capitalise on its strategic foot print of radiating and non-radiating towers to make it attractive for the operators for new tenancy. However, if debt restructuring by EARC consortium is not completed in time bound manner, it will result in decline in customer demand for our towers.

### **Operational Risks**

#### **Supply Chain Risk**

The Company requires materials and services for tower upgradation and preventive maintenance of passive infrastructure. Delay in supplies of such materials and services, may impact smooth functioning of business operations resulting into penalties and claims for damages by customers.

Additionally, suppliers may tighten credit and other terms that they may be extending to the Company thereby increasing the liquidity strain on the Company and hampering its ability to deliver projects and running operations on a timely basis.

The Company faces high operational level challenges for the energy management like payment settlement issues, invoicing and addressing of concerns. In order to streamline the energy management operations, the Company is focusing on arranging fixed energy contracts with the customers.

#### **Manpower Risks**

Post exit of tenants due to shut downs or consolidation in telecom sector, the Company has implemented various cost optimization measures. The Company may face increased levels of attrition, due to inter-creditor disputes and NCLT proceedings threat, resulting in challenges in project execution and service delivery.

#### **Network Equipment Risks**

Network equipment such as diesel generators, battery bank, power supply equipment (SMPS) and air conditioner are ageing towards end of life. Improper functioning of these equipment may impact smooth functioning of business operations resulting into penalties and claims for damages by customers.

#### **Legal, Contractual and Compliance Risk**

Legal, Contractual and Compliance risk may arise from occasional non-adherence to timely deliverables and Service Level Agreements (SLA), for the reasons mentioned above and in some cases beyond company and management control, especially where certain operators default on their contractual obligation to pay in a timely manner and the Company is saddled with costs related to discontinued tenants.

The Company takes adequate insurance cover to protect against possible liabilities from non-performance of contracts, reviewing them continually and initiating corrective action. As a policy, open-ended contracts with open-ended obligations are rejected.

Considering pending application before NCLT, in the event of admission of the Company under IBC the Customers may exit from sites, which may in turn result in loss of business for the Company.

The Company may also misplace with its right to claim lock in compensation The Company has made lenders aware of the same.

The Company has a talented and committed legal and compliance team however several external risks related to legal, contractual and compliance keep surfacing given ever changing rules, regulations and laws.

The company is not regulated by any regulatory agency and faces the general regulatory environment that is prevalent in the country. However, the customers in the telecom sector are regulated by Telecom Regulatory Authority of India and the Company is IP-1 registered with Department of Telecommunications. India.

#### **Environmental Risk**

The Company's assets are subject to risk from natural disasters or external factors. The Company maintains insurance for its assets which cover for damages caused by fire, special perils and terrorist attacks. However, disruption to the Company's network from natural calamities, though temporary in nature, is always a possibility. There are some environmental concerns from citizen's groups as well. EMF radiations are the invisible electric and magnetic forces arising from the active infrastructure installed at telecom towers. In the recent past some citizen's groups have raised concerns around the radiations and its ill effects. Although the risk related to EMF radiation is completely attributed to the Company's customers, any litigation concerning this and resultant adverse orders, could affect tower business as well. It may be noted that EMF radiation norms in India are more stringent than in Europe and non-adherence can invite hefty fines from regulator. Also, there has been no conclusive evidence as such of the ill effect of radiations on human health. The Department of Telecommunications (DoT) has recognized campaigns and media articles. Also, DoT has set up 'TERM Cells' to monitor the radiations and certify the locations.

Due to severe super cyclonic storm 'Amphan', and 'Nisarga' the operations of the Company in 4 circles of Kolkata, Rest of West Bengal, Odisha and Rest of Maharashtra were adversely affected respectively. The Company has around 5,977 towers in the aforementioned circles. Considering the current condition of NCOVID 19 and in adherence with government norms of social distancing, the management created a Virtual War Room at each circle and our centralized crisis management team was coordinating with the team of engineers, mechanics and technicians at circle level to monitor the situation closely. Considering travel restrictions in the country, the management have maneuverer its available resources in the said region in best possible way to ensure normalization of the operations in affected areas keeping in mind health and safety of its employees. The Company's assets are adequately insured, however, we cannot assess financial loss to the Company's assets at this juncture as the assessment is to be carried out by the Independent Surveyors of the Insurance Company.

**Risk due to outbreak of NCOVID 19**

The outbreak of Coronavirus (NCOVID 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Government of India (GOI) ordered a nationwide lockdown extended up to 30th July 2020, to prevent community spread of NCOVID 19 in India. The Ministry of Home Affairs notified telecommunication services including telecom infrastructure services among the essential services which continued to operate during

lock down in the crisis situation of NCOVID 19. This crisis impacted ability of technicians to visit the tower sites for upkeep and maintenance of tower and Diesel filling.

The Company keeping in mind the health and safety of employees/customers/vendors is taking maximum precaution to protect its network and maintain uptime. Thus, though the Company is trying its best to keep the customer focus / maintain network uptime, the exact impact of the same cannot be determined at this juncture.

**Risk Mitigation Plan**

Sr. No.	Type of Risk	Mitigation Plan
1	Liquidity and Leverage Risk	<p>The Company is ensuring that monthly Infrastructure Provisioning Fees and other Revenue streams such as Energy, Rent etc. are realised fully.</p> <p>Timely revision in Fixed Energy Billing contracts with Telcos is ensured to improve liquidity flow and mitigation of Energy losses.</p> <p>Reduction in various operating costs as per Cost Optimisation Plan has ensured cost optimisation compared to tenancy exit and revenue losses.</p> <p>Agreement with Telcos for up-gradation of sites by way of CAPEX funding to be adjusted against IPF. This has resulted in increasing network uptime and increased tenancies.</p> <p>The Company has been successful in finalising agreements with some of its customers for reimbursing on its property tax liability. It is also negotiating similar rights with all its customers, so the Company may be in a position to recover this additional cost completely.</p>
2	Risk on account of Customer Overdue Recovery	<p>The Company has already initiated the arbitration and recovery proceedings against the defaulting customers. The Company has also submitted its claims with respective Resolution Professionals where CIRP process has been initiated against our customers.</p>
3	Operational Risk	<p>End of life equipment needs to be upgraded or replaced. The Company has accordingly invested in various projects and ensured its network is upgraded as with latest technology/equipment.</p> <p>SLA penalties have been reduced by resolving infra and non-Infra issues in time and additional CAPEX infusion. This has resulted in maintaining network uptime at 99.90% under normal conditions.</p>
4	Sustainability of Debt Risk	<p>In accordance with the revised Prudential Guidelines issued by the Reserve Bank of India, the Company has presented a Resolution Plan for consideration of lender consortium.</p>
5	Environmental Risk	<p>The Company's assets are subject to risk from natural disasters or external factors. The Company maintains insurance for its assets which cover for damages caused by fire, special perils and terrorist attacks. However, disruption to the Company's network from natural calamities, though temporary in nature, is always a possibility.</p> <p>Due to severe super cyclonic storm 'Amphan', and 'Nisarga' the 4 major circles of the company adversely affected. By considering the current conditions of Covid-19 and Govt. restrictions, the management of the company have normalised the operations in the affected areas keeping in mind health and safety of the employees.</p>

*We are committed to keep the communication channels open*



## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company is committed to ensure that its operations are carried out within a well-defined internal control framework. Good governance, robust systems and processes, a vigilant finance function and an independent internal audit function are the foundations of the internal control systems. The Company believes that a strong internal controls framework is an essential pre-requisite of growing its business.

The Company has an internal control system in place, commensurate to its size and spread in order to achieve orderly and efficient conduct of its business, including adherence to management policies, safeguarding of assets, prevention and detection of fraud and error, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The internal control system encompasses financial and operational controls and statutory compliances.

There are suitable controls with reference to policies and procedures, risk assessment, ethics that are clearly established, communicated and monitored. Also there is a periodic review and assessment of the relevant controls to improve effectiveness, reduce cost and improve business performance.

The authority matrix, responsibility and accountability i.e., delegation of authority and segregation of duties are clearly defined such that decisions are made and actions taken at an appropriate level.

The control environment ensures commitment towards integrity and ethical values and independence of the board of directors from the management. The control activities incorporate, among others, continuous monitoring, routine reporting, checks and balances, purchase policies, authorisation and delegation procedures.

The internal audit function performs audit to monitor and evaluate the effectiveness of the Company's internal control systems and adherence to management policies and statutory requirements. It maintains a regular surveillance over the entire operations.

The audit coverage in the internal audit function of the Company is in line with the objectives of internal audit as prescribed by the Institute of Chartered Accountants of India (ICAI). The role of internal audit in the Company is as given below:

- Understanding and assessing risks and evaluating adequacies of the prevalent internal controls.
- Identifying areas for system improvement and strengthening controls.

- Ensuring optimum utilisation of the resources of the Company.
- Ensuring proper and timely identification of liabilities, including contingent liabilities of the Company.
- Ensuring compliance with internal and external guidelines and policies of the Company as well as the applicable statutory and regulatory requirements.
- Safeguarding the assets of the Company by setting up a process of every change record.
- Reviewing and ensuring adequacy of information systems security control.
- Reviewing and ensuring adequacy, relevance, reliability and timeliness of management information system.

The internal audit function is monitored by the audit committee of the Board which periodically reviews audit plans, audit observations of both internal and external audits, audit coverage, risk assessment and adequacy of internal controls. Thus effective internal control structure has been set up in the Company to enhance organisational performance and contribute towards accomplishment of its objectives.



Training program at Guwahati, Telecom Tower

## HUMAN RESOURCES

The Company puts customers at the heart of its endeavors and encourages its employees to give their best. Ever on the lookout for thinkers and doers driven by passion, curiosity and conviction, The Company symbolizes the unconventional and the innovative. The Company prides itself on providing an environment where you work with the best and learn from the entrepreneurs of tomorrow.

The Company, is an equal opportunity employer with a strong culture of talent development and management. The environment on the Company promotes job enrichment, learning and growth opportunities. Performance is recognized at every level through a structured learning programme. Employees also enjoy a very good work life balance.

The in house Human Resources team ensures all HR processes are managed effectively. The key HR processes conducted in the financial year focussed on enhancing productivity and ownership.

- a) Talent Acquisition – Though we believe in grooming talent from within, we are always on the lookout for bright and energetic talent from the industry. This helps the company to challenge the internal systems as well as bring out positive cultural changes in the organization. We have recruited for defined key positions to enable us to perform better and provide superior services to the customer.
- b) Learning and Development – The training programs conducted are need based and focused on customer delight. This year we conducted more of on the job training through our well trained managers.
- c) Talent Management – The talent program of the Company is focused on building succession. The year gone by showed us,

how in very difficult times in the telecom industry we could continue grooming talent through mentoring, coaching and training our employees on the job. Our senior managers have spent a great deal of time ensuring our employees stay ahead of the curve with their skills. This has helped the organization not only build succession but also retain key manpower.

- d) Rewards & Recognition – Employees who have significantly contributed to the objectives of the organization have been suitably rewarded through the R&R process.
- e) Employee Engagement – The employee engagement programme has helped shaped a positive experience that drives advocacy and productivity.
- f) Work–Life Balance – In spite of all the pressures we ensured as a company we maintained a healthy work life balance by ensuring a supportive and healthy work environment , which enabled employees to have a balance between work and personal responsibilities. This has helped to strengthen employee loyalty, productivity and commitment.

When the NCOVID 19 situation hit the whole world in February/ March 2020 all of the above initiatives stood the test of time .

We were one of the few companies who could mobilize our workforce in less than 48 hours to ensure our networks are radiating. Across the length and breadth of our country our field force and liasoning staff ensured extremely high productivity that led to customer delight. We are proud of our people who ensured network connectivity which in turn ensured all sensitive and essential services are effective in the country.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013 (the said Act).



## QUALITY

The Company is following ISO 9001:2015 standard. The standard has helped the Company in periodically giving recommendations for achieving long-term, sustained success and focus on meeting the needs and expectations of all relevant stakeholders.

As part of the continuous learning process, the Company updates its processes and quality plans, whilst reviewing the said process for suitability and sustainability. These processes are documented and maintained by the concerned process owners, and audited as and when required by an independent QMS team to assess the level of maturity of the different components of the system, identify and prioritize potential areas for improvement. Modifications are made to the processes where required to help the organization

### **HSE Responsibility**

The Company educates its employees for identified needs related to HSW like electrical safety requirement, height safety training, first-aid, road safety, 4-wheeler defensive driving, absolute safety rules (ASR) and other specific trainings as may be required for delivering the job.

Regular field visits are conducted by the Management teams to ensure all health and safety related matters are complied with in order to minimize the consequences of occupational hazards, accidents and injuries, and occupational and work-related accidents. The Company carries out regular assessment of conditions of occupational hygiene and factors in the organization of work which may give rise to risks for the health of workers





**Making a better world**



**GLOBAL FOUNDATION**  
A GLOBAL Group Initiative

By Initiative of GLOBAL FOUNDATION

**SERVICES**

- Hemoglobin Check Up
- Blood Sugar Detection
- Blood Donation
- Eye Check Up
- Cataract Treatment and Operation
- Diabetic Check Up
- Heart Check Up
- First Aid
- Dental Clinic
- Blood Pressure
- Blood Sugar
- Blood Test
- Blood Smear
- Blood Culture
- Blood Transfusion
- Blood Bank
- Blood Bank
- Blood Bank
- Blood Bank

n Initiative

[www.globalfoundation.in](http://www.globalfoundation.in)

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## CORPORATE SOCIAL RESPONSIBILITY

As a responsible Corporate Citizen, the Company fulfills its social responsibilities through employee volunteerism and non financial means, by supporting the causes adopted by Global Foundation, a public charitable trust.

The social causes supported by Global Foundation are in the areas of:

- Education
- Health, Hygiene and Sanitation
- Disability
- Community Development

### Social Impact:



**10,000** people in rural areas attended **77** Medical Camps

**60** patients received Financial Aid for medical treatment



**196** visually impaired learnt to use computers over the years at the Advanced Computer Centre

**25** benefitted from 'Android Workshop for visually impaired'



**1,300** children received Gyanjyot Scholarships & financial aid for completing their education

**5,210** rural children received Computer Education at **51** labs set up in the yester years



**15** flood affected families received Financial Aid to rebuild their homes

**1,000** Tree Plantation sponsored in the adjoining areas of Cauvery river





### Social Contribution during NCOVID 19

Global Foundation is carrying out Food Services and is providing preventive Medical Equipment to Government Hospitals.

- Grocery and meals have been distributed to over 25,000 underprivileged people, frontline Corona warriors and patients in Hospitals
- Preventive medical equipment Doffing and Donning Chambers were donated to Dr. Nair Hospital in Mumbai.
- Warm water aids in the recovery of the NCOVID19 patients, accordingly 750 Electric Kettles were donated to NCOVID 19 dedicated medical centers.



Meals for Migrants



Grocery Kits Distribution

# Global Foundation's Humanitarian Services during NCOVID 19



> 25,000

Meals distributed to NCOVID 19 patients, healthcare workers and support staff



> 2,000

Snacks hampers and water bottles were distributed to migrants



> 2,000

Monthly grocery kits distributed in rural Maharashtra, Chappal maker community and in West Bengal



> 1,500

Refreshments and water bottles to on duty Police staff and RCF Jawans



Kettle Distribution



Food for Senior Citizens



Meals for NCOVID 19 Patients



Monthly Grocery for Tribals

# DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present their Seventeenth Annual Report together with the Audited Financial Statements for the year ended March 31, 2020.

## 1. STATE OF COMPANY'S AFFAIRS

### Financial Highlights:

(₹ in Lakhs)

Particulars	FY2019–20	FY2018–19
Revenue from Operations	141,694	150,021
Other Income	2,029	1,197
<b>Total Revenue</b>	<b>143,723</b>	151,218
Profit / (Loss) before Depreciation & Amortization Expenses, Finance Costs, Exceptional Item & Tax	28,258	19,459
Less: Depreciation & Amortization Expenses	63,444	62,355
Profit / (Loss) before Finance Costs, Exceptional Item & Tax	(35,186)	(42,896)
Less: Finance Costs	66,222	53,343
Profit / (Loss) before Exceptional Items & Tax	(101,408)	(96,239)
Less: Exceptional Items	84,946	57,701
Profit / (Loss) before Tax	(186,354)	(153,940)
Less: Tax Expenses	–	–
Profit / (Loss)	(186,354)	(153,940)
Other Comprehensive Income	(26)	(60)
<b>Total Comprehensive Income</b>	<b>(186,380)</b>	(154,000)

Figures regrouped / reclassified wherever necessary to make them comparable.

### Results of Operations

Key Highlights of the Company for the financial year ended March 31, 2020 are as under:

- Total Revenue from Operations for current financial year stands at ₹ 141,694 Lakhs as against ₹ 150,021 Lakhs for the previous financial year.
- Normalized EBITDA for current financial year stands at ₹ 19,825 Lakhs as against ₹ 24,811 Lakhs for the previous financial year.

### Telecom Sector Developments and its impact

The Company has from time to time informed about various developments in Indian Telecom Sector, which were beyond the control of the Company and the management. These forced consolidation and exits in the telecom sector has resulted in the number of telecom operators reducing from 18 to 4.

All of these factors have had a material adverse effect on the Company and its future business prospects. The table below clearly highlights the impact of tenancy loss the Company faced over the last decade, despite having long term binding contracts with the telecom operators:

Sr. No.	Events of Tenancy Loss	No. of Tenancy	Period	Comments
1.	Cancellation of 2G licenses	4,319	February 2012	Supreme Court Judgement on cancellation of 122 2G telecom licenses
2.	Aircel default of ROFR commitment	15,200	May 2014	Legal and financial issues
3.	Slower 3G/BWA growth	4,750	Since April 2013	Industry slowdown following the Supreme Court verdict
4.	Exits during business course with various reasons	2,966		
5.	Operator scale back due to auction	3,500		
6.	Aircel filing of bankruptcy	23,727	February 2018	Unsustainable business due to competition
7.	RCom shutdown of wireless business	1,386	August & September 2017	
8.	Tata exit from wireless business	2,888	Since December 2017	
9.	Merger of Vodafone and Idea	2,718	Since September 2018	Forced industry consolidation due to competition
10.	Consolidation of Telenor with Airtel	1,395	During FY 2018–19	
<b>Aggregate tenancy loss from 2012 to 2020</b>		<b>62,849</b>		

The telecom sector has yet again witnessed another devastating blow when the Hon'ble Supreme Court on October 24, 2019 in its landmark judgement upheld Department of Telecommunications contention and definition of Gross Revenue / Adjusted Gross Revenue (AGR) as per the License Agreements which was agreed, accepted and signed by Telecom Service Providers (TSP), the licensees, and further ordered TSPs to make payment of all outstanding dues of License Fees and spectrum usage surcharge (including interest and penalties) to DoT within 3 months. Further, vide its order dated February 14, 2020, the Supreme Court denied any relief to the telecom operators and demanded payment of AGR dues of ₹ 147,000 Crore immediately. This in turn has also resulted in possible existential situation for telecom operators and therefore for tower companies like us.

Additionally, the business of the Company also impacted due to various natural calamities such as Jammu & Kashmir floods, Chennai floods, Karnataka floods, Cyclone Fani in Odisha, Vayu Cyclone in Gujarat, Bulbul Cyclone in Odisha etc. Shutdown in Jammu & Kashmir also impacted the business of the Company.

Shut down and exit of telecom operators or downsizing of their operations has already resulted in the Company being saddled with the operational cost of non-occupied towers and the unsustainable debt level of the Company as a result of revised cash flow.

Despite above, the Company continues its efforts towards recovering its contractual claims of approx ₹ 15,20,650 Lakhs from its customers who have either closed down their business or have got merged with other Telecom operators or even exited their tenancies, much ahead of their respective contract terms.

The Company has envisaged restructuring of its debt to sustainable level as well as curtailing its operating expenditures such as diesel cost, EB cost, O&M Cost, security cost, wages, vendor cost, statutory payments such as taxes, which enables the Company to continue to maintain network uptime for its occupied towers.

However, recent unilateral appropriation of ₹ 32,000 Lakhs by Edelweiss Asset Reconstruction Company Limited ("EARC") consortium without implementing Resolution Plan and without taking in to account statutory and operational liabilities including contingent liabilities and not giving consent for completing insourcing of OME business from GTL Limited has frustrated efforts of the management to revive and stabilize the Company. However, the management continues to engage with lenders consortium for completing restructuring process.

### Going Concern

Considering the proposed realignment of debt in accordance with cash flow and various resource optimization initiatives undertaken by the Company, which can lead to stabilization and revival, the Company continues to prepare the financial statements on a going concern basis.

## 2. RECENT DEVELOPMENTS AT MACRO AND MICRO ECONOMIC LEVEL

The details in respect of recent developments at macro and micro economic level are covered under Management Discussion and Analysis (MD&A) Report, which forms part of the Annual Report.

## 3. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) is presented in a separate section forming part of the Annual Report.

## 4. DEBT RESTRUCTURING

The details in respect of debt resolution plan are provided in separate section under the heading “Debt Resolution Plan” under MD&A Report, which forms part of the Annual Report.

## 5. TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2020.

## 6. DIVIDEND

Since your Company has posted losses for the current financial year, your Directors express their inability to recommend any dividend on the paid up Equity Share Capital of the Company for the financial year ended March 31, 2020.

## 7. SHARE CAPITAL

### a. The movement of Equity shares due to allotment of shares is as under:

Particulars	No. of Equity Shares
Equity Shares as on April 1, 2019	12,319,097,031
Add: Allotments of Equity Shares to Bond Holders upon conversion of Bonds during year	–
Equity Shares as on March 31, 2020	12,319,097,031
Add: Allotments of Equity Shares to Bond Holders upon conversion of Bonds post March 31, 2020	87,865,456
Equity Shares as on September 4, 2020	12,406,962,487

The Company has only one class of equity shares and it has not issued equity shares with differential rights or sweat equity shares.

Further to information furnished in the Directors’ Report for financial year 2018–19, 94,843,348 equity shares allotted to Trust are yet to be listed due to pending receipt of requisite details from Bondholders.

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

The details of outstanding Foreign Currency Convertible Bonds are as follows:

Particulars	No. of Series B1 Bonds (of US\$ 1,000 each)	No. of Series B2 Bonds (of US\$ 1,000 each)	No. of Series B3 Bonds (of US\$ 1,000 each)	Total No. of Bonds (of US\$ 1000 each)	No. of Equity Shares upon conversion
FCCBs allotted	80,745	86,417	30,078	197,240	–
Converted till date	29,397	13,489	17,267	60,153	391,828,212
Balance as September 4, 2020	51,348	72,928	12,811	137,087	–

If bonds are converted into equity shares of the Company, the number of equity shares would go up by 892,965,525.

## 8. FIXED DEPOSITS

During the year under review, the Company has not accepted any public deposits under chapter V of the Companies Act, 2013 (the “Act”) from public or from its members.

## 9. 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.

## 10. PROMOTER GROUP

The Company was promoted by GTL Limited (“GTL”). The members may note that the Promoter Group comprises of Global Holding Corporation Private Limited and such other persons as defined under the Listing Regulations. Post invocation of pledge of GTL's holding in the Company by secured lenders of GTL, the Promoter Group shareholding in the Company stands at 3.39% as on September 4, 2020. The Company is taking advice to assess if they continue to be promoter.

## 11. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to 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 financial year ended March 31, 2020 confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed and there were 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.

## 12. DIRECTORS & KEY MANAGERIAL PERSONNEL

The term of Mr. Milind K. Naik (DIN: 00276884) as Whole-time Director and Key Managerial Personnel of the Company expired on July 20, 2020, post which he decided not to offer himself for re-appointment. Further, Mr. Manoj G. Tirodkar (DIN: 00298407) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment subject to receipt of requisite consent from certain lenders, who had converted debt into equity shares under Corporate Debt Restructuring and Strategic Debt Restructuring Scheme and lenders of GTL Limited who have invoked pledge over shareholding of GTL Limited in the Company.

During the year, Mr. Vijay Vij (DIN: 02245470), who was associated with the Company as Independent Director of the Company, ceased to be director with effect from May 9, 2019. The Board places on record its deep appreciation and respect for the valuable advice and guidance received from Mr. Vij and Mr. Naik during their respective tenure as a Directors of the Company.

Pursuant to the provisions of Section 203 of the Act, currently, Mr. Bhupendra J. Kiny – Chief Financial Officer and Mr. Nitesh A. Mhatre – Company Secretary are the Key Managerial Personnel of the Company.

## 13. 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 Act.

## 14. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met Seven (7) times during the financial year, the details of which are given in Corporate Governance Report that forms part of this Report.



## 15. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Act and Corporate Governance requirements as prescribed by the Listing Regulations.

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

In a separate meeting of Independent Directors, performance of non-independent directors, performance of Board as a whole and performance of the Chairman were evaluated taking into account the views of executive directors and non-executive directors.

## 16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company has put in place appropriate policy on Directors' Appointment and remuneration and other matters as required by Section 178(3) of the Act, which is provided in the Policy Dossier that has been uploaded on the Company's website [www.gtlinfra.com](http://www.gtlinfra.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.

## 17. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, 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 and the percentage increase in remuneration of each director, chief financial officer, company secretary or manager, if any, in the financial year:

Executive Directors	Ratio to median remuneration	% increase in remuneration in the financial year
Mr. Milind K. Naik*	31.11	Nil
Non-executive Directors** (sitting fees only)	Ratio to median remuneration	% increase in remuneration in the financial year
Mr. Manoj G. Tirodkar	N.A.	N.A.
Mr. N. Balasubramanian	N.A.	N.A.
Dr. Anand P. Patkar	N.A.	N.A.
Mr. Charudatta K. Naik	N.A.	N.A.
Mr. Vinod B. Agarwala	N.A.	N.A.
Mr. Vijay M. Viji***	N.A.	N.A.
Mrs. Sunali Chaudhry	N.A.	N.A.
Chief Financial Officer		
Mr. Bhupendra J. Kiny	–	5%#
Company Secretary		
Mr. Nitesh A. Mhatre	–	7.5%#

\* The term of Mr. Milind K. Naik as Whole-time Director expired on July 20, 2020, post which he decided not to offer himself for re-appointment.

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

\*\*\* Relinquished the post of Independent Director w.e.f. May 9, 2019

# Retention / Loyalty bonus paid during the year not considered.

- ii. The percentage increase / (decrease) in the median remuneration of employees in the financial year: (9.13%)
- iii. The number of permanent employees on the rolls of the Company : 641
- iv. Average percentage increase already made in the salaries of employees other than the managerial personnel in last financial year and its comparison with the percentage 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 7.7%. During the year, upon receipt of requisite clarification from Ministry of Corporate Affairs, approval from lenders and subsequent ratification by shareholders, the Company has paid remuneration to Mr. Naik as per his appointment terms.

- v. Affirmation that the remuneration is as per the remuneration policy of the Company:

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

## 18. INTERNAL FINANCIAL CONTROL SYSTEMS

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

## 19. AUDIT COMMITTEE

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

## 20. AUDITORS AND AUDITORS' REPORT

M/s Pathak H.D. & Associates LLP (FRN: 107783W / W100593), Chartered Accountants, Mumbai were appointed as an Auditor of the Company at the fifteenth (15th) AGM to hold office from conclusion of the fifteenth (15th) AGM till conclusion of twentieth (20th) AGM to be held in calendar year 2023.

For the FY 2019–20, the Auditor of the Company have issued modified opinion w.r.t. the Company's inability to quantify the amount of property tax on its telecom towers to be ultimately borne by it due to petition pending before the appropriate Courts, non–receipt of property tax demands in respect of majority of telecom towers and Company's contractual rights to recover such property tax from its customers. In this regard, the Company has given appropriate explanation in its Note No. 40 of Notes to the Financial Statements. Further, as regards the Auditors opinion regarding material uncertainty related to Going Concern and emphasis of matters, the Company has furnished required details / explanations in Note nos. 58 and 20.1 of Notes to the Financial Statements.

## 21. COST AUDIT

In terms of Section 148 (1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended, since the Company's business (Infrastructure Provider Category – I) is not included in the list of industries to which these rules are applicable, the Company is not required to maintain cost records.

## 22. SECRETARIAL AUDITORS' REPORT

The Secretarial Audit Report is given in Annexure A (Form No. MR–3) forming part of this report.

As regards to the observation in previous year's Secretarial Audit Report w.r.t inadvertent non–filing of Form MGT–14 for filing of Board Resolution with Registrar of Companies, it is to be noted that based on the order of the Ministry of Corporate Affairs (MCA) for condoning the delay in filing, the Board resolution has been filed in Form MGT–14 with Registrar of Companies and accordingly the said observation has got closed.

Further as regards the observation in current year on non–filing of report under Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended March 31, 2019 due to non–receipt of Certificate from RTA, it is to be noted that the necessary action is being taken for filing the same after receipt of the said certificate from RTA.

Further, in terms of Regulation 24A of the Listing Regulations, a Secretarial Compliance Audit Report given by Mr. Chetan A. Joshi, Practicing Company Secretary, is annexed as Annexure B to this Report.

## 23. COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with applicable secretarial standards as prescribed by the Institute of Company Secretary of India.

## 24. RISKS

A separate section on risks and their management is provided in the MD&A Report forming part of this Report. The Audit Committee monitors the risk management plan and ensures its effectiveness. It is important for members and investors to be aware of the risks that are inherent in the Company's businesses. The major risks faced by the Company have been outlined in this section to allow members and prospective investors to take an independent view. The Company strongly urges Shareowners/ Investors to read and analyze these risks before investing in the Company.

## 25. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not provided any corporate guarantees. The particulars of loans and investments have been disclosed in the Note nos. 6 & 14 and 4 & 10 of Notes to the Financial Statements respectively.

## 26. PARTICULARS OF RELATED PARTY TRANSACTION

For the reasons stated below, the statement pursuant to Section 134 (3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014 giving the particulars of contracts or arrangements with related parties referred to in section 188 (1) of the Act, is not enclosed as a part of this Report:

- a. The Company has not entered into any contracts or arrangements or transactions not at arm's length basis; and
- b. Pursuant to GTL ceasing to be a related party of the Company w.e.f. March 28, 2019, post invocation of pledge of shares of the Company held by GTL by CDR Lenders of GTL, the material contracts or arrangement or transactions at arm's length basis entered with GTL ceased to be a related party transactions..

## 27. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have Subsidiary or Joint Venture Company. Accordingly, a statement pursuant to provisions of Section 129(3) of the Act in Form No. AOC-1 is not required to be furnished.

## 28. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and other details are furnished in Annexure 'C' 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.gtlinfra.com](http://www.gtlinfra.com).

## 29. ANNUAL RETURN AS ON MARCH 31, 2020

As per requirements of Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return as on March 31, 2020 is annexed as Annexure 'D' (Form MGT-9) to this report. The Company has placed a copy of the same on its website at [www.gtlinfra.com](http://www.gtlinfra.com).

## 30. CORPORATE GOVERNANCE AND VIGIL MECHANISM

The Company has complied with the Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of the Regulation 46 of the Listing Regulations. A separate Report on Corporate Governance along with the Certificate of the Auditor, M/s Pathak H.D. & Associates LLP, Chartered Accountants, Mumbai confirming compliance of conditions of Corporate Governance as required under Regulation 34(3) of the Listing Regulations forms part of this Report.

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

## 31. BUSINESS RESPONSIBILITY REPORT

Regulation 34(2) of the Listing Regulations, as amended, *inter alia*, provides that the Annual Report of the top 1000 listed entities based on market capitalization (calculated as on 31<sup>st</sup> March of every Financial Year), shall include a Business Responsibility Report (BR Report). Your Company is in the top 1000 listed entities as on March 31, 2020. The Company has presented its BR Report for the Financial Year 2019-20, which is part of this Annual Report as Annexure 'E'.

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

### a. Conservation of Energy:

During the year, the Company continued its efforts towards conservation of energy by way of reduction of diesel consumption at telecom tower sites through several initiatives of energy efficiency and fuel savings as under:

#### i) the steps taken or impact on conservation of energy:

- a. Close monitoring of Energy cycle of EB availability, Diesel Generator run hours and Battery Bank run hrs , site wise , to operate sites at optimum energy consumption without impacting operational availability of network
- b. Holistic approach to site up gradation with an eye on energy conservation, when finalizing the site design of various network elements for capex investment, eliminating sub optimal operation and thus sweating capex to correct operational capacity with minimal increase in energy consumption.

- c. Adopting non conventional approach to design Integrated AMP panels with Voltage sensing feature as against time based feature, thus reducing unnecessary fuel burn or avoid battery bank discharge under normal conditions.
  - d. Proactive re sizing of sanctioned load of EB connections , thus reducing wastage of Energy and expenses thereof
  - e. Conversion of Non Eb sites with EB connections , thus not only improving the network availability but also drastically reducing additional fuel burn on the site.
  - f. Operating high EB availability sites with optimal fuel stock , thus reducing wastage as well as making sites Fuel Free. A total of 2886 sites are operating as DG free sites.
  - g. Sustained efforts to reduce potential pilferage of fuel and electricity at site through a strong governance mechanism in the field.
- ii) **the steps taken by the Company for utilizing alternate source of energy:**  
Augmentation of Battery capacities , implementing new solutions like Deep Discharge Batteries and active consideration of other alternate sources to dependence on Fuel , like Li On technology are some of the steps Company continues to evaluate for ongoing basis.
- iii) **the capital investment on energy conservation equipment:**  
Not Applicable

**b. Technology Absorption:**

1. Efforts made towards technology absorption	:	The Company has not absorbed, adopted and innovated any new technology. Hence, the details relating to technology absorption are not furnished.
2. The benefits derived like product improvement, cost reduction, product development or import substitution	:	
3. In case of imported technology (imported during last 3 years reckoned from the beginning of the financial year) following information may be furnished.	:	
a. the details of technology imported	:	
b. the year of import	:	
c. whether the technology been fully absorbed?	:	No expenditures were incurred during the year.
d. if not fully absorbed, the areas where absorption has not taken place, reasons thereof	:	
4. the expenditure incurred on Research and Development	:	

**c. Foreign Exchange Earnings and Outgo:**

During the year under review, the inflow and outgo of foreign exchange in actual terms were ₹ Nil and ₹ 38.07 Lakhs respectively.

**33. HUMAN RESOURCE**

The associate base of the Company as on March 31, 2020 stood at 681. For full details / disclosures refer to the Human Resources section in the MDA Report, which forms part of the Annual Report.

**34. PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197(12) of the Act read with sub–rules 2 &3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, names and other particulars of the top ten employees in terms of remuneration drawn and the name of every employee who is in receipt of such remuneration as stipulated in said Rules are required to be set out in a statement to this Report. This Report is being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company

Secretary at the Registered Office of the Company. None of the employees listed in the said statement is related to any Director of the Company.

### **35. ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and cooperation extended by the customers, employees, vendors, bankers, financial institutions, investors, media and both the Central and State Governments and their Agencies, particularly during the NCOVID 19 and look forward to their continued support.

**On behalf of the Board of Directors,**

Mumbai  
September 4, 2020

**Manoj G. Tirodkar**  
Chairman

**ANNEXURE A TO DIRECTORS' REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****For the Financial Year Ended 31st March, 2020**

[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 Infrastructure Limited (CIN: L74210MH2004PLC144367)  
3rd Floor, "Global Vision", Electronic Sadan No.II, MIDC,  
TTC Industrial Area, Mahape, Navi Mumbai- 400710

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

Based on my verification of the Company's 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 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the 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, 2015;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

During the period under review, provisions of the following regulations were not applicable to the Company for the financial year ended 31st March, 2020:-

- a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- 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.
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- vi. As confirmed & Certified by the Management, there are no Sectoral laws specifically applicable to the Company based on the Sectors/ Businesses.

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

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) & National Stock Exchange of India Limited (NSE);
- (iii) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

During the period under review, the Company has complied with the relevant provisions of the Act / regulations / agreements / Standards, as may be applicable, mentioned above except the following:

***I report that the Company could not file report under Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended 31st March, 2019 due to non-receipt of Certificate from Registrar and Transfer Agent. Further the Company has filed report for the quarter ended 30th June, 2019 and 30th September, 2019 jointly after receipt of the same from Registrar and Transfer Agent.***

I further report that,

The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There is no change in the Composition of the Board of Directors during the period under review. Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the Minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has passed Special resolutions in the Annual General meeting held on September 25, 2019 reappointing Mr. N. Balasubramanian, Mr. Vinod B. Agarwala and Mr. Anand P. Patkar as an Independent Directors of the Company for a period of five (5) years with effect from September 16, 2019 to September 15, 2024.

I further report that during the audit period, the Company has passed Special resolution in the Annual General meeting held on September 25, 2019 for continuation of Mr. N. Balasubramanian as an Independent Director who shall attain age of 75 years during his second term.

I further report that during the audit period, the Company has passed Special resolution in the Annual General meeting held on September 25, 2019 for keeping the Register of members/ record of the Company and copies of the Annual return at the office of the Registrar and Transfer agent instead of Registered office of the Company.

I further report that as regards to the observation in my previous year's Secretarial Audit Report w.r.t. inadvertent non-filing of Form MGT-14 for filing of Board Resolution with Registrar of Companies, based on the order of the Ministry of Corporate Affairs (MCA) for condoning the delay in filing, the Board resolution has been filed by the Company in Form MGT-14 with Registrar of Companies and accordingly the said observation has been closed.

Date:04/09/2020

Place: Thane

UDIN: F007052B000660012

**Chetan Anant Joshi**  
(FCS:7052,COP: 7744)

This Report is to be read with my letter of even date which is annexed as 'Annexure I' and forms an integral part of this report.

**'ANNEXURE I'**

To,  
The Members,  
GTL Infrastructure Limited (CIN: L74210MH2004PLC144367)  
3rd Floor, "Global Vision", Electronic Sadan No.II, MIDC,  
TTC Industrial Area, Mahape, Navi Mumbai– 400710

My report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process 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 Secretarial records. I believe that the process and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date:04/09/2020  
Place: Thane

**Chetan Anant Joshi**  
(FCS:7052,COP: 7744)



**ANNEXURE B TO DIRECTORS' REPORT**  
**SECRETARIAL COMPLIANCE REPORT**  
**OF**  
**GTL INFRASTRUCTURE LIMITED**  
**(CIN: L74210MH2004PLC144367)**  
**For the year ended 31st March, 2020**

I, Chetan Anant Joshi – Practicing Company Secretary have examined:

- (a) all the documents and records made available to me and explanation provided by GTL INFRASTRUCTURE LIMITED CIN – L74210MH2004PLC144367 (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2020 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:–

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**not attracted during year under review**)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**not attracted during year under review**)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (**not attracted during year under review**)
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**not applicable**)
- (g) Securities and Exchange Board of India (Issue and Listing of Non–Convertible and Redeemable Preference Shares) Regulations, 2013; (not applicable)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder except in respect of matter specified below

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
1.	Quarterly filing under Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018	Partially Complied	During the Review Period, the Company could not file report under Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended 31 <sup>st</sup> March, 2019 due to non–receipt of Certificate from RTA. Further the Company has filed report for the quarter ended 30 <sup>th</sup> June, 2019 and 30 <sup>th</sup> September, 2019 jointly.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc .	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

- (d) The reporting of actions by the listed entity to comply with the observations made in the previous reports does not arise during the Review Period.

Date : 31/07/2020  
Place : THANE

**Chetan Anant Joshi**  
*Practicing Company secretary*  
(FCS: 7052, COP: 7744)  
UDIN: F007052B000535668

## ANNEXURE C TO DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018–19 [Pursuant to the 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:**

The Company 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. On account of the financial constraints faced by the Company and also the loss suffered by it, during the FY 2019–20, it carried out and shall continue to carry out its social responsibilities by supporting the causes adopted by Global Foundation through employees volunteerism and non-financial means. The Company's CSR Policy has been uploaded on the Company's Website at following link

<http://www.gtlinfra.com/investors/corporate-governance/>

**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, Dr. Anand P. Patkar and Mrs. Sunali Chaudhry.

**3. Average net profit / (loss) of the Company for last three financial years: (₹ 138,102 Lakhs)**

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

Not Applicable 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: Not Applicable
- b. Amount unspent, if any: Not Applicable
- c. Manner in which the amount spent during the financial year: Not Applicable

**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: Not Applicable**

**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:**

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

Mumbai  
September 4, 2020

**Sunali Chaudhry**  
Director

**Manoj G. Tirodkar**  
Chairman – Corporate Social Responsibility Committee

**ANNEXURE D TO DIRECTORS' REPORT**

FORM NO. MGT – 9

**EXTRACT OF ANNUAL RETURN**

as on financial year ended on March 31, 2020

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

**I. REGISTRATION AND OTHER DETAILS:**

i) <b>CIN</b>	L74210MH2004PLC144367
ii) <b>Registration Date</b>	February 4, 2004
iii) <b>Name of the Company</b>	GTL Infrastructure Limited
iv) <b>Category / Sub-Category of the Company</b>	Company Limited by shares / Indian Non-Government Company
v) <b>Address of the Registered office and contact details</b>	“Global Vision”, 3rd Floor, Electronic Sadan No. II MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400 710 Telephone No: +91-22-68293500 Fax: +91-22-68293545 Email: <a href="mailto:gilshares@gtlinfra.com">gilshares@gtlinfra.com</a> Website: <a href="http://www.gtlinfra.com">www.gtlinfra.com</a>
vi) <b>Whether listed company</b>	Yes
vii) <b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Maharashtra, India. Telephone No: +91 22 62638200 Extn. 221-222 Fax No.: +91 22 62638299 Email: <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> Dedicated Link for shareholders queries / grievances: <a href="http://www.bigshareonline.com/Contact.aspx">http://www.bigshareonline.com/Contact.aspx</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company are:–

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Providing Telecom Towers on shared basis to multiple telecom operators	619	100.00

**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
Not Applicable					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

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
	April 1, 2019				March 31, 2020				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoter</b>									
<b>(1) Indian</b>									
(a) Individual / HUF									
(b) Central Govt									
(c) State Govt(s)									
(d) Bodies Corp.	42,01,44,016	–	42,01,44,016	3.41	42,01,44,016	–	42,01,44,016	3.41	–
(e) Banks / FI									
(f) Any Other (Specify)									
<b>Sub-Total (A)(1)</b>	<b>42,01,44,016</b>	<b>–</b>	<b>42,01,44,016</b>	<b>3.41</b>	<b>42,01,44,016</b>	<b>–</b>	<b>42,01,44,016</b>	<b>3.41</b>	<b>–</b>
<b>(2) Foreign</b>									
(a) NRIs – Individuals									
(b) Other – Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other (Specify)									
<b>Sub-Total (A)(2)</b>									
<b>A Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>42,01,44,016</b>	<b>–</b>	<b>42,01,44,016</b>	<b>3.41</b>	<b>42,01,44,016</b>	<b>–</b>	<b>42,01,44,016</b>	<b>3.41</b>	<b>–</b>
<b>B Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	150	64	214	0.00	150	64	214	0.00	0.00
(b) Banks / FI	7,75,36,80,649	100	7,75,36,80,749	62.94	7,47,44,03,207	100	7,47,44,03,307	60.67	–2.27
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies	42,63,53,586	–	42,63,53,586	3.46	42,63,53,586	–	42,63,53,586	3.46	–
(g) FIs	–	–	–	–	–	–	–	–	–
– Foreign Venture Capital Funds									
(i) Others (Specify) – RPF	28,33,64,527	–	28,33,64,527	2.30	27,88,85,044	–	27,88,85,044	2.26	–0.04
<b>Sub-Total (B)(1)</b>	<b>8,46,33,98,912</b>	<b>164</b>	<b>8,46,33,99,076</b>	<b>68.70</b>	<b>8,17,96,41,987</b>	<b>164</b>	<b>8,17,96,42,151</b>	<b>66.40</b>	<b>–2.30</b>
<b>(2) Non-Institutions</b>									
<b>(a) Bodies Corp.</b>									
i) Indian	2,42,46,87,011	9,853	2,42,46,96,864	19.68	2,39,83,69,481	9,853	2,39,83,79,334	19.47	–0.21
ii) Overseas									
<b>(b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto to ₹1 lakh	18,08,10,130	3,65,896	18,11,76,026	1.47	18,81,79,599	3,62,405	18,85,42,004	1.53	0.06
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	55,32,33,121	–	55,32,33,121	4.49	84,84,75,214	–	84,84,75,214	6.89	2.40

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
	April 1, 2019				March 31, 2020				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(c) Any Other (Specify)</b>									
i) Clearing Members	1,98,55,595	–	1,98,55,595	0.16	2,32,49,320	–	2,32,49,320	0.19	0.03
ii) Foreign Corporate Bodies	9,87,77,684	9,48,43,448	19,36,21,132	1.57	8,72,53,348	9,48,43,448	18,20,96,796	1.48	–0.09
iii) Hindu Undivided Family	2,39,98,305	–	2,39,98,305	0.19	3,22,63,184	–	3,22,63,184	0.26	0.07
iv) NRIs	2,95,35,584	10	2,95,35,594	0.24	3,69,21,325	10	3,69,21,335	0.30	0.06
v) Directors and their relatives	91,35,079	–	91,35,079	0.07	90,81,004	–	90,81,004	0.07	–0.00
vi) Overseas Corporate Bodies	1,97,166	100	1,97,266	0.00	1,97,166	100	1,97,266	0.00	–
vii) Trust	55,100	–	55,100	0.00	55,550	–	55,550	0.00	0.00
viii) Demat Suspense Account	49,857	–	49,857	0.00	49,857	–	49,857	0.00	–
<b>Sub–Total (B)(2)</b>	<b>3,34,03,34,632</b>	<b>9,52,19,307</b>	<b>3,43,55,53,939</b>	<b>27.89</b>	<b>3,62,40,95,048</b>	<b>9,52,15,816</b>	<b>3,71,93,10,864</b>	<b>30.19</b>	<b>2.30</b>
<b>B Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>11,80,37,33,544</b>	<b>9,52,19,471</b>	<b>11,89,89,53,015</b>	<b>96.59</b>	<b>11,80,37,37,035</b>	<b>9,52,15,980</b>	<b>11,89,89,53,015</b>	<b>96.59</b>	<b>–</b>
<b>TOTAL (A) + (B)</b>	<b>12,22,38,77,560</b>	<b>9,52,19,471</b>	<b>12,31,90,97,031</b>	<b>100.00</b>	<b>12,22,38,81,051</b>	<b>9,52,15,980</b>	<b>12,31,90,97,031</b>	<b>100.00</b>	<b>–</b>
<b>C Shares held by Custodians for GDRs &amp; ADRs</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>12,22,38,77,560</b>	<b>9,52,19,471</b>	<b>12,31,90,97,031</b>	<b>100.00</b>	<b>12,22,38,81,051</b>	<b>9,52,15,980</b>	<b>12,31,90,97,031</b>	<b>100.00</b>	<b>–</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year *
		1–Apr–19			31–Mar–20			
		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	GTL Limited (GTL)	–	–	–	–	–	–	–
2	Global Holding Corporation Private Limited (GHC)	420,144,016	3.41	100.00	420,144,016	3.41	100.00	0.00
	<b>TOTAL (A) + (B)</b>	<b>420,144,016</b>	<b>3.41</b>	<b>100.00</b>	<b>420,144,016</b>	<b>3.41</b>	<b>100.00</b>	<b>0.00</b>

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

Sr. No.	Name	Shareholding at the beginning of the year 01–Apr–19		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during / at the end of the year 31–Mar–20	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	GTL Limited (GTL)	0	0.00				–	–
2.	Global Holding Corporation Private Limited (GHC)	420,144,016	3.41		No Change		420,144,016	3.41
	<b>Total</b>	<b>420,144,016</b>	<b>3.41</b>				<b>420,144,016</b>	<b>3.41</b>

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

Sl. No.	For each of Top 10 shareholders	Shareholding at the beginning of the year 01–Apr–2019		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year 31–Mar–2020	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	IDBI Trusteeship Services Ltd.	2,04,65,05,865	16.61%	No change during the year			2,04,65,05,865	16.61%
2	Union Bank of India	87,47,69,676	7.10%	31–Mar–2020	37,40,17,637	Merger–Andhra Bank	1,24,87,87,313	10.14%
3	Central Bank of India	94,21,54,365	7.65%	No change during the year			94,21,54,365	7.65%
4	Bank of Baroda	66,20,87,739	5.37%	12–Apr–2019	1,77,86,048	Merger–Vijaya Bank	67,98,73,787	5.52%
				26–Apr–2019	4,81,01,194	Merger–Dena Bank	72,79,74,981	5.91%
5	Indian Overseas Bank	67,00,32,490	5.44%	No change during the year			67,00,32,490	5.44%
6	ICICI Bank Limited	52,78,32,504	4.28%	29–Nov–2019	27,39,262	Secondary Market	53,05,71,766	4.31%
				06–Mar–2020	(5,61,273)	Secondary Market	53,00,10,493	4.30%
				20–Mar–2020	(18,18,756)	Secondary Market	52,81,91,737	4.29%
7	Canara Bank	51,91,27,403	4.21%	No change during the year			51,91,27,403	4.21%
8	IFCI Limited	50,49,90,245	4.10%	No change during the year			50,49,90,245	4.10%
9	Bank of India	45,51,76,703	3.69%	No change during the year			45,51,76,703	3.69%
10	Punjab National Bank	43,75,64,781	3.55%	No change during the year			43,75,64,781	3.55%

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Director/ KMP	For each of the Directors and KMP	Shareholding at the beginning of the year 01–Apr–2019		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year 31–Mar–2020	
			No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Director	Mr. Manoj G. Tirodkar	58,97,783	0.05	No change during the year		58,97,783	0.05	
2	Director	Mr. N. Balasubramanian	5,30,046	0.00	No change during the year		5,30,046	0.00	
3	Director	Mr. Vinod B. Agarwala	4,59,000	0.00	No change during the year		4,59,000	0.00	
4	Director	Mr. Anand P. Patkar	1,00,000	0.00	No change during the year		1,00,000	0.00	
5	Director	Mr. Charudatta K. Naik	13,25,900	0.01	No change during the year		13,25,900	0.01	
6	Director	Mr. Milind K. Naik	19,000	0.00	No change during the year		19,000	0.00	
7	Director	Mrs. Sunali Chaudhry	67,500	0.00	No change during the year		67,500	0.00	
8	Director	Ms. Dina Hatekar	9,425	0.00	No change during the year		9,425	0.00	
9	KMP	Mr. Bhupendra Kiny	90,041	0.00	No change during the year		90,041	0.00	
10	KMP	Mr. Nitesh A. Mhatre	–	–	No change during the year		–	–	

**V. INDEBTEDNESS**

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

₹ in Lakhs

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 2019–20</b>				
Principal Amount	430,697	60,572	–	491,269
Interest due but not paid	29,626	3,808	–	33,434
Interest accrued but not due	9	1,783	–	1,792
<b>Total</b>	<b>460,332</b>	<b>66,163</b>	<b>–</b>	<b>526,495</b>
<b>Change in Indebtedness during the financial year</b>				
Addition				
– Interest	54,346	6,577	–	60,923
– Foreign Exchange Difference	428	3,214	–	3,642
– Measurement of Financial Liabilities at Amortized Cost	–	–	–	–
Reduction				
– Interest	–	–	–	–
– Conversion to Equity Shares / Other Equity	–	–	–	–
– Extinguishment	–	–	–	–
– Foreign Exchange Difference	–	–	–	–
– Repayments	(27)	–	–	(27)
– Measurement of Financial Liabilities at amortized cost	(2,948)	–	–	(2,948)
<b>Net Change</b>	<b>51,799</b>	<b>9,791</b>	<b>–</b>	<b>61,590</b>
<b>Indebtedness at the end of the financial year 2019–20</b>				
Principal Amount	428,142	66,586	–	494,728
Interest due but not paid	83,980	9,368	–	93,348
Interest accrued but not due	9	–	–	9
<b>Total</b>	<b>512,131</b>	<b>75,954</b>	<b>–</b>	<b>588,085</b>

**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 (₹ in Lakhs)
		Milind K. Naik, WTD (Amount in Lakhs)	
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	239.98*	239.98*
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	– as % of profit	Nil	Nil
	– others, specify.	Nil	Nil
5.	Others (PF Contribution)	5.43	5.43
1	Total (A)	245.41	245.41
	Ceiling as per the Act		

\* Remuneration includes the arrears of remuneration of ₹ 65.96 Lakh for FY 2018 & ₹ 48.02 Lakh for FY 2019.



## B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors					Total Amount (₹)
		N. Balasubramanian	Anand P. Patkar	Vinod B. Agarwala	Vijay M. Vij <sup>^</sup>	Dina S. Hatekar <sup>§</sup>	
<b>1.</b>	<b>Independent Directors</b>						
	– Fees for attending board and committee meetings	17.10	11.65	20.25	4.20	9.75	62.95
	– Commission	Nil	Nil	Nil	Nil	Nil	Nil
	– Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>17.10</b>	<b>11.65</b>	<b>20.25</b>	<b>4.20</b>	<b>9.75</b>	<b>62.95</b>
<b>2</b>	<b>Other Non–Executive Directors</b>						
	– Fees for attending board and committee meetings	14.60	11.75	14.00			40.35
	– Commission	Nil	Nil	Nil			Nil
	– Others, please specify	Nil	Nil	Nil			Nil
	<b>Total (2)</b>	<b>14.60</b>	<b>11.75</b>	<b>14.00</b>			<b>40.35</b>
	<b>Total (B)=(1+2)</b>						<b>103.30</b>
	Total Managerial Remuneration*						245.41
	Overall Ceiling as per the Act						294.00

\* 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

<sup>^</sup> Ceased to be a director w.e.f. May 9, 2019

<sup>§</sup> Appointed as Independent Non–Executive Director w. e. f. August 14, 2019

## C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sr. no.	Particulars of Remuneration	CEO	Key Managerial Personnel (Amount in ₹ in Lakhs)		
			CFO Bhupendra J. Kiny	Company Secretary Nitesh A. Mhatre	Total
1.	Gross salary	Not Applicable			
	(a) Salary as per provisions contained in section 17(1) of the Income–tax Act, 1961		217.64	140.76	358.40
	(b) Value of perquisites u/s 17(2) Income–tax Act, 1961		Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) 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)		3.60	2.09	5.69
	<b>Total</b>	<b>221.24</b>	<b>142.85</b>	<b>364.09</b>	

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences under the Companies Act, 2013 during the year ended March 31, 2020

## ANNEXURE E TO DIRECTORS' REPORT

### BUSINESS RESPONSIBILITY REPORT

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L74210MH2004PLC144367	
2.	Name of the Company	GTL Infrastructure Limited	
3.	Registered address	'Global Vision', 3rd Floor, Electronic Sadan-II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400710, Maharashtra, India.	
4.	Website	<a href="http://www.gtlinfra.com/">http://www.gtlinfra.com/</a>	
5.	E-mail id	<a href="mailto:gilshares@gtlinfra.com">gilshares@gtlinfra.com</a>	
6.	Financial Year reported	2019–20	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification Code	Description
		619	Providing Telecom Towers on shared basis to multiple telecom operators
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Providing passive infrastructure on shared basis to telecom operators for hosting their active network components	
9.	Total number of locations where business activity is undertaken by the Company	Presence across 22 Telecom Circles in India serving all the telecom operators	
	(a) Number of International Locations (Provide details of major 5)	Nil	
	(b) Number of National Locations	Presence across 22 Telecom Circles in India serving all the telecom operators	
10.	Markets served by the Company – Local/State/National/International	At present, the Company is only serving Indian market.	

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

		FY 2019–20
1.	Paid up Capital	₹ 1,231,909 Lakhs
2.	Total Turnover	₹ 141,694 Lakhs
3.	Total profit after taxes	₹ (186,354 Lakhs)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Nil
5.	List of activities in which expenditure in 4 above has been incurred: –	Not Applicable

#### SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30–60%, More than 60%]	Not Applicable

**SECTION D: BUSINESS RESPONSIBILITY INFORMATION**
**1. Details of Director/Directors responsible for BR**

(a) Details of the Director/Director responsible for implementation of the BR policy/policies and Details of the BR head

1.	Director Identification Number (if applicable)	00276884
2.	Name	Mr. Milind K. Naik *
3.	Designation	Whole-time Director
4.	Telephone Number	+91 22 69283500

\* w.e.f. July 20, 2020, Mr. Milind K. Naik ceased to be director.

**2. Principle-wise (as per NVGs) BR Policy/policies**

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies has been drafted on the basis of applicable laws, code of conduct and applicable standards								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Policies mandated under the Companies Act, 2013 ("Act") and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("Listing Regulations") are approved by the Board and other policies are approved by the Whole-time Director / Functional Heads of the Company as appropriate from time to time.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Whole-time Director and the Functional Heads oversee implementation of the policies.								
6	Indicate the link for the policy to be viewed online?	Policies mandated to be displayed on website of the Company as per the Act and Listing Regulations are displayed at <a href="http://www.gtlinfra.com/investors/corporate-governance/">http://www.gtlinfra.com/investors/corporate-governance/</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Except policies mandated under the Act and Listing Regulations, which are available on website of the Company, all other policy documents are uploaded on the intranet and are accessible to all employees of the Company.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N
		Implementation of the policies is evaluated internally.								

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3–6 months, Annually, More than 1 year

The Whole-time Director assesses the BR performance of the Company on annual basis.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report being published by the Company as part of annual report. The Report can also be accessed on the Company's website at <http://www.gtlinfra.com/investors/corporate-governance/>.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company has a Code of Conduct for Directors as well as all employees of the Company which covers issues inter-alia related to ethics and bribery. It also covers dealing with suppliers, customers and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year, one complaint was received from the shareholder, which was attended to / resolved within statutory time lines. The complaint was related to non-receipt of annual report and other documents.

### Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Close monitoring of Energy cycle of EB availability, Diesel Generator run hours and Battery Bank run hrs, site wise, to operate sites at optimum energy consumption without impacting operational availability of network
- Holistic approach to site up gradation with an eye on energy conservation, when finalizing the site design of various network elements for capex investment, eliminating sub optimal operation and thus sweating capex to correct operational capacity with minimal increase in energy consumption.
- Adopting non conventional approach to design Integrated AMF panels with Voltage sensing feature as against time based feature, thus reducing unnecessary fuel burn or avoid battery bank discharge under normal conditions.
- Proactive resizing of sanctioned load of EB connections, thus reducing wastage of Energy and expenses thereof.
- Conversion of Non Eb sites with EB connections, thus not only improving the network availability but also drastically reducing additional fuel burn on the site.
- Operating high EB availability sites with optimal fuel stock, thus reducing wastage as well as making sites Fuel Free. A total of 2886 sites are operating as DG free sites.
- Sustained efforts to reduce potential pilferage of fuel and electricity at site through a social governance mechanism in the field engaging with Landowners and Last mile field teams to align their support in line with company objectives

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The company achieved substantial savings / improvements over last year at various stages ie bulk and centralised sourcing, distribution to sites, site upgradation related capex cycle.

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

With sustained efforts on both technology as well as creating social awareness under various initiatives as mentioned at sr.no 1, the Company achieved significant reduction in consumption of Fuel and Electricity at sites.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The company has undertaken various projects for sustainable sourcing for eg deep discharge batteries, solar installations in the past and is continuously exploring new sources like Li ion battery, Fuel Cells etc.

The company has created a telecom circle based structure taking operations near to the telecom site and thus saving on unnecessary wastage and costs,

Funding of procured fuel and electricity is done through centralised portals, petro cards and online payments thus reducing dependence on paper bills as well as cash transaction at field level,

Transporters and service vendors are sourced locally within the circle wherever available to avoid unnecessary burden on resources and costs.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. Please refer to description given at sr .no 3

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5–10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes. The company supports recycling for eg in case of Lead from Lead acid batteries, and iron from non usable towers through its registered vendors from time to time. Company also looks at possible measure of reusing the same product for eg batteries by boost charging so that maximum productivity can be achieved.

### Principle 3

1. Please indicate the Total number of employees: 641
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.: 40
3. Please indicate the Number of permanent women employees: 43
4. Please indicate the Number of permanent employees with disabilities: 1
5. Do you have an employee association that is recognized by management? No
6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	1	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up–gradation training in the last year?

(a)	Permanent Employees	Fire & safety 90% skill upgradation 70%
(b)	Permanent Women Employees	Fire & safety 90% skill upgradation 60%
(c)	Casual/Temporary/Contractual Employees	Fire & safety 90% skill upgradation 70%
(d)	Employees with Disabilities	NA

**Principle 4**

1. Has the company mapped its internal and external stakeholders? Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company acknowledges debt towards society in which it operates including disadvantaged, vulnerable and marginalised section. It discharges its social responsibilities by supporting the cause adopted by 'Global Foundation', public charitable trust, through employee volunteerism and non-financial means.

**Principle 5**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company does not have a specific policy only on human rights. However, principles of the same have been covered in Code of Conduct and Grievance Handling Policies, which also covers dealing with suppliers, customers and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaint regarding violation of human rights.

**Principle 6**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company's Health, Safety and Environment policy extends to all employees of the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.

We have sensitized every employee of our organisation towards the impact of global warming on our planet. We execute a detailed study on the impact of our projects on air, water, land, flora, fauna and human beings. The study enables us to train and educate the stakeholders to address the concerned environmental issues appropriately. Our endeavor as an IP player is to extend our efforts in reducing CO2 footprint as part of telecom engagement.

3. Does the company identify and assess potential environmental risks? Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Presently, the Company is not undertaking any projects related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.
  - a. Close monitoring of Energy cycle of EB availability, Diesel Generator run hours and Battery Bank run hrs, site wise, to operate sites at optimum energy consumption without impacting operational availability of network
  - b. Proactive resizing of sanctioned load of EB connections, thus reducing wastage of Energy.
  - c. Conversion of Non Eb sites with EB connections, thus not only improving the network availability but also drastically reducing additional fuel burn on the site.
  - d. Operating high EB availability sites with optimal fuel stock, thus reducing wastage as well as making sites Fuel Free. A total of 2886 sites are operating as DG free sites.
  - e. Sustained efforts to reduce potential pilferage of fuel and electricity at site through a social governance mechanism in the field engaging with Landowners and Last mile field teams to align their support in line with company objectives

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Company is, in most of the cases, well within the permissible limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. – Nil

#### **Principle 7**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Confederation of Indian Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company participates in seminars, conferences and other forums on issues and policy matters that impacts the interest of its stakeholders.

#### **Principle 8**

1. Does the company have specified programmes /initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company through its employee participation supports the causes adopted b 'Global Foundation'.

2. Are the programmes/projects undertaken through in–house team/own foundation/external NGO/government structures/any other organization? Not Applicable
3. Have you done any impact assessment of your initiative? Not Applicable
4. What is your company's direct contribution to community development projects– Amount in INR and the details of the projects undertaken? Not Applicable
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. – Not Applicable

#### **Principle 9**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year? Nil
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information) – Not Applicable
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti–competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so. – No
4. Did your company carry out any consumer survey/ consumer satisfaction trends? No.

# REPORT ON CORPORATE GOVERNANCE

In accordance with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the report on compliance of Corporate Governance at GTL Infrastructure Limited is given as under:

## 1) COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

## 2) BOARD OF DIRECTORS

### i) Size and composition of the Board

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2020, the Company has 8 Directors with a Non-Executive Chairman and a Non-Executive Vice Chairman. Of the 8 Directors, 7 (i.e. 87.50%) are Non-Executive Directors and 4 (i.e. 50.00%) are Independent Directors. The composition of the Board is in conformity with Regulation 17(1) of the Listing Regulations and Section 149 of the Companies Act, 2013 (the “Act”).

- ii) All the Directors have informed the Company periodically about their directorship and membership on the Board Committees of other public limited companies. As per disclosure received from Director(s), none of the Directors on the Board hold membership in more than ten (10) committees or chairmanship in more than five (5) committees across all the public limited companies in which he/she is a Director.

The composition of the Board, category of directorship, the number of meetings held and attended during the year, the directorships /chairmanship/ committee positions in other public limited companies as on March 31, 2020 are as follows:

Name of Director	Category*	Attendance in Board Meetings		Attendance at the last AGM	Number of Directorships in other Indian public limited companies **	Other Companies				Directorship in other Listed entity (Category of Directorship)
		Held	Attended			Board Directorship **	Board Chairmanship **	Committee Chairmanship/ Membership ***		
								Chairman	Members	
Mr. Manoj G. Tirodkar @ (Chairman) DIN 00298407	NID/ NED	7	7	Yes	0	0	0	0	0	0
Mr N. Balasubramanian (Vice-Chairman) ^ DIN 00288918	ID	7	7	Yes	0	0	0	0	0	0
Mr. Milind K. Naik \$\$ (Whole-time Director) DIN 00276884	NID/ED	7	7	Yes	0	0	0	0	0	0
Dr. Anand P. Patkar ^ DIN 00634761	ID	7	6	No	0	0	0	0	0	0



Name of Director	Category*	Attendance in Board Meetings		Attendance at the last AGM	Number of Directorships in other Indian public limited companies **	Other Companies				Directorship in other Listed entity (Category of Directorship)
		Held	Attended			Board Directorship **	Board Chairmanship **	Committee Chairmanship/ Membership ***		
								Chairman	Members	
Mr. Charudatta K. Naik DIN 00225472	NID/NED	7	6	Yes	0	0	0	0	0	0
Mrs. Dina S. Hatekar ^^ DIN 08535438	ID	6	6	Yes	0	0	0	0	0	0
Mrs. Sunali Chaudhry DIN 07139326	NID/NED	7	7	Yes	0	0	0	0	0	0
Mr. Vinod B. Agarwala ^ DIN 01725158	ID	7	7	Yes	3	3	0	2	3	1. Supreme Infrastructure India Ltd. (NID/ID) 2. Technocraft Industries (India) Ltd. (NID/ID) 3. IRIS Business Services Ltd. (NID/ID)
Mr. Vijay M. Vij \$ DIN 02245470	ID	1	1	NA	–	–	–	–	–	–

\* ED – Executive Director, NID – Non– Independent Director, NED– Non– Executive Director, ID– Independent Director

\*\* In Indian Public Limited Companies

\*\*\* In Audit committee and Stakeholders' Relationship Committee in Indian public limited companies (listed and unlisted).

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

\$ Under the Companies Act, 2013 (“the Act”) and Corporate Governance guidelines, no independent Director shall hold office for more than two consecutive terms of five years. Since, Mr. Vijay Vij (DIN: 02245470), independent Director of the Company has completed his term for more than 10 years, considering the aforesaid guidelines and as good governance he has resigned from the post of director w.e.f. May 9, 2019. Further he confirmed to the Company that there are no other material reasons other than the above.

\$\$ Ceased to be Executive Director and Director w.e.f. July 20, 2020

^ Re–appointed as Independent Non–Executive Directors for a second term of five consecutive years with effect from September 16, 2019 till September 15, 2024

^^ Appointed as Independent Non–Executive Director with effect from August 14, 2019 till August 13, 2024.

### iii) Skills/expertise/competencies of the Board of Directors

The Board Comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees.

In view of the objectives and activities of our business, the Company requires skills/ expertise/ competencies in the areas of Finance, Regulatory, Strategy, Business Leadership, Law, Sales & Marketing and Risks & Governance.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively.

The area of core expertise of each directors is given below:

Name of Director	Area of Expertise
Mr. Manoj G. Tirodkar	Finance, Strategy, Business Leadership, Risks & Governance
Mr. N. Balasubramanian	Finance, Strategy, Business Leadership
Mr. Milind Naik	Strategy, Business Leadership, Sales & Marketing
Dr. Anand P. Patkar	Finance, Strategy, Business Leadership
Mr. Charudatta K. Naik	Strategy, Business Leadership, Sales & Marketing
Ms. Dina S. Hatekar	Business Leadership, Law, Sales & Marketing
Mrs. Sunali Chaudhry	Law, Risks & Governance, Finance, Strategy, Sales & Marketing
Mr. Vinod B. Agarwala	Finance, Regulatory, Strategy, Law, Risks & Governance

- iv) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations. Further, in terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board of Directors confirms that in the opinion of the Board of Directors, the independent directors fulfill the conditions specified in the Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

The details of familiarization programmes imparted to independent directors, are available on website of the Company at following link.

<http://www.gtlinfra.com/investors/corporate-governance/>

During the year under review, a separate meeting of the Independent Directors was held on March 13, 2020 and all the Independent Directors were present for this meeting.

- v. **Number of Board Meetings held and the dates on which held:** The Board of Directors met seven (7) times during the year under review. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The details of the Board Meetings are as under:

Date of Board Meeting	Board Strength	No. of Directors Present
May 9, 2019	08	08
August 14, 2019	08	08
September 25, 2019	08	07
November 5, 2019	08	08
December 5, 2019	08	07
February 5, 2020	08	08
March 13, 2020	08	08

- vi. **Details of equity shares of the Company held by the Directors as on March 31, 2020 are as under:**

Name of Director	Number of Shares
Mr. Manoj G. Tirodkar	5,897,783
Mr. N. Balasubramanian	530,046
Dr. Anand P. Patkar	100,000
Mr. Charudatta K. Naik	1,325,900
Mr. Vinod B. Agarwala	459,000
Mr. Vijay M. Vij	63,500
Mrs. Sunali Chaudhry	67,500
Ms. Dina S. Hatekar	9,425

### 3) BOARD COMMITTEES

#### A. Audit Committee:

- i) **Composition:** The Audit Committee of the Board comprises of two Independent Directors namely Mr. N. Balasubramanian and Mr. Vinod B. Agarwala and one Non-Independent / Non-Executive Director Mr. Charudatta K. Naik. All the Members of the Audit Committee possess financial/accounting expertise/exposure. The composition of the Audit Committee meets the requirements of Section 177 of the Act, Regulation 18 of the Listing Regulations. Mr. N. Balasubramanian is the Chairman of the Committee.

The Company Secretary acts as the secretary to the Audit Committee.

- ii) **Terms of Reference:** The terms of reference of the Audit Committee are as under:
- 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.
  - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - 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 Act.
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of any related party transactions.
    - Modified Opinion(s) in the draft audit report.
  - Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter–corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - 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;
  - Discussion with internal auditors of any significant findings and follow up there on;
  - 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;
  - 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;
  - 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;
  - To review the functioning of the whistle blower mechanism;

- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- To review the following information:
  - the management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of Chief Internal Auditor.
  - 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).
- iii) The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings.
- iv) The previous Annual General Meeting of the Company was held on September 25, 2019 and was attended by Mr. N. Balasubramanian, Chairman of the Audit Committee.
- v) **Number of Audit Committee Meetings held and the dates on which held:**  
The Audit Committee met five (5) times during the year under review on April 30, 2019, May 9, 2019, August 14, 2019, November 5, 2019 and February 5, 2020. The necessary quorum was present for all the meetings. The details of attendance of each Member at the Audit Committee meetings held during the year are as under:

Name	Category	Number of meetings during the year 2019–2020	
		Held	Attended
Mr. N. Balasubramanian (Chairman)	Independent, Non–Executive	5	5
Mr. Vinod B. Agarwala	Independent, Non–Executive	5	5
Mr. Vijay M. Vij *	Independent, Non–Executive	5	2
Mr. Charudatta K. Naik	Non–Independent, Non–Executive	5	5

\* Ceased to be a member of this committee w.e.f. May 9, 2019

#### B. Nomination & Remuneration Committee:

- i) **Composition:** The Nomination & Remuneration Committee of the Board comprises of two Independent Directors namely Mr. Vinod B. Agarwala and Mr. N. Balasubramanian and one Non–Independent / Non–Executive Director, Mr. Charudatta K. Naik, Mr. Vinod Agarwala is the Chairman of the Committee.  
  
The Company Secretary acts as the secretary to the Nomination & Remuneration Committee.
- ii) **Terms of Reference:** The terms of reference of the Nomination & Remuneration Committee are as under:
  - 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;
  - Formulation of criteria for evaluation of performance of independent directors and the board of directors;
  - Devising a policy on diversity of Board of Directors;

- 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;
  - 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; Administer and supervise Employees Stock Option Schemes including allotment of shares arising out of conversion of Employees Stock Option Scheme(s) or under any other employee compensation scheme;
  - Formulate 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.
  - Perform such other functions consistent with applicable regulatory requirements.
- iii) **Number of Nomination & Remuneration Committee Meetings held and the dates on which held:** The Nomination & Remuneration Committee met five (5) times during the year under review on April 30, 2019, May 9, 2019, August 14, 2019, November 6, 2019 and February 5, 2020. The necessary quorum was present for all the meetings. The details of attendance of each Member at the Nomination & Remuneration Committee meetings held during the year are as under:

Name	Category	Number of meetings during the year 2019–2020	
		Held	Attended
Mr. Vijay M. Vij *(Chairman)	Independent, Non–Executive	5	2
Mr. N. Balasubramanian	Independent, Non–Executive	5	5
Mr. Charudatta K. Naik	Non–Independent, Non–Executive	5	5
Mr. Vinod B. Agarwala # (Chairman)	Independent, Non–Executive	5	3

\* Ceased to be Chairman and Members of this committee w.e.f. May 9, 2019

# Appointed as Chairman of the Committee w.e.f. May 10, 2019

- iv) **Performance evaluation criteria for Independent Directors:** The Nomination and Remuneration Committee specified the evaluation criteria for performance evaluation of Independent Directors, Board and its Committees. Following are the major criteria applied for performance evaluation:
- Attendance and Participation
  - Pro–active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and steps needed to meet challenges from the competition
  - Maintaining confidentiality
  - Acting in good faith and in the interest of the company as a whole
  - Exercising duties with due diligence and reasonable care
  - Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion
  - Capacity to effectively examine financial and other information on operations of the company and the ability to make positive contribution thereon.
- v) **Remuneration of Directors :**
- (a) Pecuniary Relationship of Non–Executive Directors: The Company has no pecuniary relationship or transaction with its Non–Executive Directors other than payment of sitting fees for attending Board and Committee meetings.

- (b) The Policy Dossier approved by the Board of Directors contains compensation policy for Directors, (including criteria for making payments to non– executive directors) which has been uploaded on the website of the Company at following link –

<http://www.gtlinfra.com/investors/corporate–governance/>

*inter–alia*, provides for the following:

- **Executive Directors:**
  - o Salary and commission not to exceed limits prescribed under the Act.
  - o Remunerate from time to time depending upon the performance of the Company, individual Director's performance and prevailing industry norms.
  - o No sitting fees.
  - o No Employee Stock Option Scheme for Promoter Directors.
- **Non–Executive Directors:**
  - o Eligible for commission based on time, efforts and output given by them.
  - o Sitting fees and commission not to exceed limits prescribed under the Act.
  - o Eligible for Employee Stock Option Scheme (other than Promoter and Independent Directors).

(c) **Details of Remuneration paid to Directors:**

(i) **Executive Director:**

Details of remuneration of Executive Director for the financial year ended March 31, 2020 is as under:

Name of the Director and period of appointment	Salary (₹ Lakh)	Benefits Perquisites and Allowances (₹ Lakh)	Leave Encashment & Company's Contribution to PF (₹ Lakh)	Performance Linked Incentive (₹ Lakh)	Stock Options Held
Milind Naik <sup>§^</sup>	45.24	194.74	5.43*	–	–

§ Ceased to be Director and Whole–time Director w.e.f. July 20, 2020

^ Remuneration includes the arrears of remuneration of ₹ 65.96 Lakh for FY 2018 & ₹ 48.02 Lakh for FY 2019 as approved by the Nomination & Remuneration Committee of the Board of Directors at their meeting held on April 30, 2019.

\* Amount mentioned in Leave Encashment & Company's Contribution to PF & Gratuity column is towards Company's contribution to Provident Fund only. Since the provision of leave encashment and gratuity has been made for the Company as whole, separate figure for him is not available.

(ii) **Non–Executive Directors:**

Name	Sitting Fees* (₹ in Lakh)
Mr. Manoj G. Tirodkar	11.75
Mr. N Balasubramanian <sup>#</sup>	17.10
Dr. Anand P. Patkar <sup>#</sup>	11.65
Mr. Charudatta K. Naik	14.60
Mr. Vinod B. Agarwala <sup>#</sup>	20.25
Mr. Vijay M. Vij <sup>§</sup>	4.20
Mrs. Sunali Chaudhry	14.00
Mrs. Dina S. Hatekar <sup>^</sup>	9.75

\* Excluding Swachha Bharat Cess Tax

# Directors were appointed as Independent Directors from September 16, 2019 to September 15, 2024 and they are not liable to retire.

^ Appointed as Independent Non–Executive Director with effect from August 14, 2019 till August 13, 2024 and she is not liable to retire

§ Ceased to be director w.e.f. May 9, 2019

Note: Currently, the Company does not have any stock option plans/ schemes.

### C. Stakeholders' Relationship Committee:

- i) **Composition:** The Stakeholders' Relationship Committee of the Board comprises two Independent Directors namely Dr. Anand P. Patkar and Mr. Vinod B. Agarwala and two Non-Independent / Non-Executive Director, Mr. Manoj G. Tirodkar and Mrs. Sunali Chaudhry. Dr. Anand P. Patkar is the Chairman of the Committee.

The Company Secretary acts as the secretary to the Stakeholders' Relationship Committee.

- ii) **Terms of Reference:** The terms of reference of the Stakeholders' Relationship Committee are as under:

- Look into the redressal of Shareholders' and Investors' complaints/grievances like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc.;
- Review the certificate of the Practicing Company Secretary regarding timely action on transfer, sub-division, consolidation, renewal, exchange or endorsement of calls / allotment monies.
- Oversee the performance of the Registrar and Share Transfer Agent and recommend measures for overall improvement in the quality of investor services.
- Ascertain whether the Registrars & Share Transfer Agents (RTA) are sufficiently equipped with infrastructure facilities such as adequate manpower, computer hardware and software, office space, documents handling facility etc to serve the shareholders / investors.;
- Recommend to the Board, the appointment, reappointment, if required, the replacement or removal of the Registrar and Share Transfer Agent and the fixation of their fees.
- To carry out any other function as required by Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Companies Act and other Regulations.

- iii) **Number of Stakeholders' Relationship Committee Meetings held and the dates on which held:** The Stakeholders' Relationship Committee met four (4) times during the year under review on May 9, 2019, August 14, 2019, November 5, 2019 and February 5, 2020. The necessary quorum was present for all the meetings. The details of attendance of each Member at the Stakeholders' Relationship Committee meetings held during the year are as under:

Name	Category	Number of meetings during the year 2019-20	
		Held	Attended
Dr. Anand P. Patkar (Chairman)	Independent, Non-Executive	4	4
Mr. Vinod B. Agarwala	Independent, Non-Executive	4	4
Mr. Manoj G. Tirodkar	Non-Independent, Non-Executive	4	4
Mrs. Sunali Chaudhry	Non-Independent, Non-Executive	4	4

- iv) **Name and designation of compliance officer:** Mr. Nitesh A. Mhatre, Company Secretary is the Compliance Officer under the Listing Regulations.

- v) **Details of shareholders' complaints received during year ended March 31, 2020, number not solved to the satisfaction of shareholders and numbers of pending complaints are as follows:**

No. of Complaints received	No. of Complaints resolved	No. of Complaints not solved to the satisfaction of shareholders	No. of Pending Complaints
1	1	0	0

## 4. GENERAL BODY MEETINGS

### A. General Meetings:

#### i) Annual General Meeting:

Financial Year	Date	Time	Venue
2016–17	September 21, 2017	1.00 p.m.	Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400703
2017–18	September 27, 2018	12.30 p.m.	Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400703
2018–19	September 25, 2019	12.30 p.m.	Marathi Sahitya, Sanskriti & Kala Mandal, Sahitya Mandir Hall, Near Navi Mumbai Sports Association, Sector 6, Vashi, Navi Mumbai 400703

#### ii) Special Resolutions:

- a) At the Annual General Meeting of the Company held on September 21, 2017, the following Special Resolution was passed:
  - Re–appointment of Mr. Milind Naik as a Whole–time Director of the Company for a period of 3 years.
- b) At the Annual General Meeting of the Company held on September 27, 2018, the following Special Resolutions were passed:
  - Ratification of payment of remuneration made / to be made to Mr. Milind Naik, Whole–time Director for a period of three years with effect from July 21, 2017
  - Ratification of payment of remuneration made / to be made to Mr. Milind Naik, Whole–time Director for a period of three years with effect from July 21, 2014
- c) At the Annual General Meeting of the Company held on September 25, 2019, the following Special Resolutions were passed:
  - Re–appointment of Mr. N. Balasubramanian (DIN:00288918) as an Independent Director of the Company to hold office for a second term of 5 (five) years with effect from September 16, 2019 to September 15, 2024.
  - Continuation of Mr. N. Balasubramanian (DIN: 00288918), as an Independent Director of the Company, who shall attain the age of 75 years on September 3, 2021, during his second term as an Independent Director of the Company.
  - Re–appointment of Mr. Vinod B. Agarwala (DIN: 01725158) as an Independent Director of the Company to hold office for a second term of 5 (five) years with effect from September 16, 2019 to September 15, 2024.
  - Re–appointment of Dr. Anand P. Patkar (DIN: 00634761) as an Independent Director of the Company to hold office for a second term of 5 (five) years with effect from September 16, 2019 to September 15, 2024.
  - Keeping the Register of Members and other registers/records of the Company maintained under Section 88 of the Companies Act, 2013 and copies of the Annual returns filed under Section 92 of the Companies Act, 2013 at the office of Registrar and Share Transfer Agent instead of Registered office of the Company.

#### iii) Tribunal Convened Meeting

Date	Time	Venue
November 1, 2017	11:00 a.m.	Marathi Sahitya, Sanskriti & Kala Mandal, Sahitya Mandir Hall, Near Navi Mumbai Sports Association, Sector 6, Vashi, Navi Mumbai 400 703

**Special Resolution** – Approval of Scheme of Arrangement between Chennai Network Infrastructure Limited and GTL Infrastructure Limited and their respective Shareholders and Creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013.



- iv) **Details of Special Resolutions passed last year through postal ballot and details of voting pattern:** During the year under review, the Company has not passed any special resolution by postal ballot.
- v) **Person who conducted the postal ballot exercise:** Not Applicable
- vi) **Whether special resolutions are proposed to be conducted through postal ballot:** No special resolution is proposed to be conducted through postal ballot.
- vii) **Procedure for postal ballot:** As and when situation arise, postal ballot shall be conducted as per the provisions of the Act and Rules made there under.

## 5. MEANS OF COMMUNICATION:

- i) **Quarterly Results:** The Company's quarterly financial statements are generally published in the Free Press Journal (English language) and in Mumbai Navshakti (Local language). The financial statements also displayed on the website of the Company.
- ii) **Website where displayed:** <http://www.gtlinfra.com>
- iii) **Official news releases and presentation:** Press Releases, if any, made by the Company from time to time are displayed on the Company's website. Presentations made to institutional investors or analysts after declaration of the results, if any, are also displayed on the Company's website.

## 6. GENERAL SHAREHOLDER INFORMATION:

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

- i) **Annual General Meeting:**
  - Date** : September 30, 2020
  - Time** : 02:00 P.M.
  - Venue** : The Company is conducting meeting through Video Conferencing (VC) / Other Audio–Visual Means (OAVM) pursuant to circular issued by Ministry of Corporate Affairs dated May 5, 2020 and as such there is no requirement to have a venue of AGM. For details please refer to the Notice of AGM.
- ii) **Financial Year** : April 1 to March 31
- iii) **Dividend Payment** : No Dividend has been recommended.
- iv) **Listing on Stock Exchanges** : Equity shares listed at
  - i) BSE Limited (BSE) – P. J. Tower, Dalal Street, Mumbai 400 023  
and
  - ii) National Stock Exchange of India Limited (NSE) – Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

### **Foreign Currency Convertible Bonds (FCCB) are listed at**

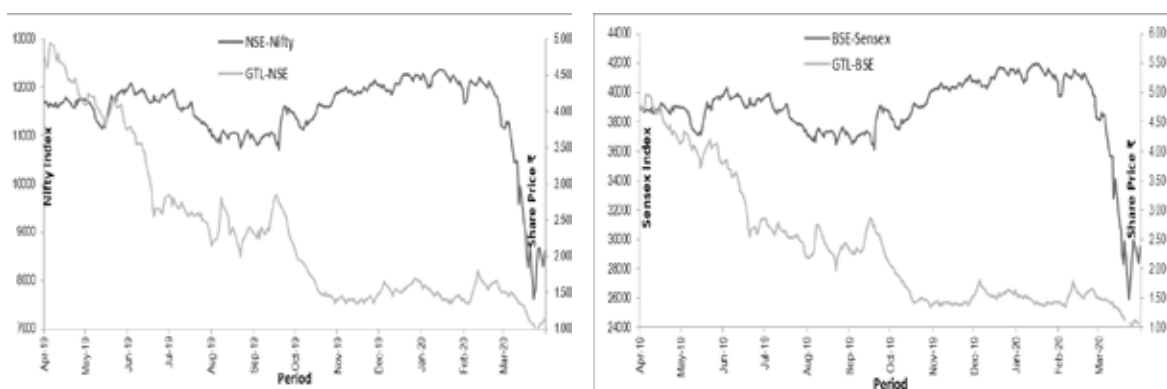
Singapore Exchange Securities Trading Limited – 2, Shenton Way, #02–02 SGX Centre 1, Singapore 068804.

- v) **Listing Fees for 2020–21** : BSE/NSE listing fees for the financial year 2020–2021 was paid by the Company within the prescribed time.
- vi) **Stock Exchange Codes:**
  - BSE – Equity Shares** : 532775
  - NSE– Equity Shares** : GTLINFRA
  - Reuters Code** : GTLI.BO & GTLI.NS
  - Bloomberg ticker** : GTLI:IN
  - Equity ISIN** : INE221H01019
  - Singapore Exchange Securities Trading Limited** : FCCB Series 'B1' – XS1684777912  
FCCB Series 'B2' – XS1684779454  
FCCB Series 'B3' – XS1698001465

vii) **Market price data:**

High, low and number of equity shares traded during each month in the year 2019–20 on BSE and NSE:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr–2019	1.20	0.88	1,01,32,031	1.30	0.85	7,96,39,070
May–2019	0.91	0.76	84,81,914	0.90	0.75	4,03,54,512
Jun–2019	0.84	0.71	53,85,111	0.85	0.70	1,64,89,256
Jul–2019	0.79	0.63	95,98,519	0.80	0.60	2,26,76,521
Aug–2019	0.66	0.45	1,39,22,804	0.70	0.45	3,86,63,743
Sep–2019	0.72	0.51	62,49,762	0.80	0.45	2,07,93,682
Oct–2019	0.61	0.40	1,20,62,858	0.65	0.35	5,02,54,382
Nov–2019	0.49	0.38	2,91,97,832	0.55	0.35	7,18,42,010
Dec–2019	0.59	0.38	3,50,55,413	0.75	0.35	22,00,85,101
Jan–2020	0.43	0.36	6,82,09,639	0.45	0.35	8,01,22,291
Feb–2020	0.43	0.34	4,39,86,965	0.45	0.30	12,50,78,000
Mar–2020	0.37	0.21	2,17,69,680	0.40	0.15	16,21,23,264

viii) **Performance of the share price of the Company in comparison to the BSE Sensex and NSE Nifty:**i. **Registrar and Share Transfer Agents:**

Name and Address : Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai – 400059

Telephone : Telephone No: +91–22–62638200 Extn.221–223  
Fax No: +91 22 62638299

**Share transfer system:**

Bigshare Services Private Limited acts as the Registrar and Share Transfer Agent (RTA) for the Company. The Company's equity shares which are in demat form are transferable through the depository system. The shares in physical form are processed and approved by the RTA and reported to the Stakeholders' Relationship Committee / Board of Directors of the Company through the authorized officials of the Company.

Pursuant to Regulation 40(1) of the Listing Regulations, as amended, with effect from April 1, 2019, except in case of transmission or transposition of securities, requests transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.

ix) **Distribution of Shareholding as on March 31, 2020:**

a. Distribution of equity shareholding as on March 31, 2020:

No. of Shares	No. of Shareholders	% of Shareholders	Share amount (₹)	% to Total
Upto 500	1,16,954	60.02	20,25,29,590	0.16
501 – 1000	24,181	12.41	21,24,71,580	0.17
1001 – 2000	16,115	8.27	26,29,29,030	0.21
2001 – 3000	7,440	3.82	19,74,96,920	0.16
3001 – 4000	3,590	1.84	13,22,27,070	0.11
4001 – 5000	5,598	2.87	27,25,33,490	0.22
5001 – 10000	8,651	4.44	69,78,87,540	0.58
10001 & ABOVE	12,335	6.33	1,21,21,28,95,090	98.39
<b>TOTAL</b>	<b>1,94,864</b>	<b>100.00</b>	<b>1,23,19,09,70,310</b>	<b>100.00</b>

b. Distribution of shares by categories of shareholders

Sr. No.	Category	Nos. of Shares held	Voting Strength %
1	Promoter & Promoter Group	42,01,44,016	3.41
2	Public – Institutions		
	a. – Mutual Funds	214	0.00
	b. – Foreign Portfolio Investors	27,88,85,044	2.27
	c. – Financial Institutions / Banks	7,47,44,03,307	60.67
	d. – Insurance Companies	42,63,53,586	3.46
	Public Institutions	8,17,96,42,151	66.40
3	Public – Non–Institutions		
	a. – Resident Individuals / HUF	1,06,92,80,402	8.68
	b. – Other – Trusts	55,550	0.00
	c. – Other – Bodies Corporate (Domestic)	2,39,83,79,334	19.47
	d. – Other – Clearing Members	2,32,49,320	0.19
	e. – Other – Non–resident Indians / Foreign National	3,69,21,335	0.30
	f. – Other – Overseas Corporate Bodies	1,97,266	0.00
	g. – Other – Foreign Companies	18,20,96,796	1.48
	h. – Other – Directors & Relatives	90,81,004	0.07
	i. – Other – Unclaimed Suspense Account	49,857	0.00
	Public Non–Institutions	3,71,93,10,864	30.19
	<b>Total:</b>	<b>12,31,90,97,031</b>	<b>100.00</b>

c. Top 10 equity shareholders of the Company as on March 31, 2020:

Name(s) of Shareholders	Category	Shares	% holding
IDBI Trusteeship Services Limited <sup>#</sup>	Domestic Company	2,046,505,865	16.61
Union Bank of India <sup>^</sup>	Bank	1,248,787,313	10.14
Central Bank of India	Bank	942,154,365	7.65
Bank of Baroda	Bank	727,974,981	5.91
Indian Overseas Bank	Bank	670,032,490	5.44
ICICI Bank Ltd	Bank	528,191,737	4.29
Canara Bank	Bank	519,127,403	4.21
IFCI Ltd	Financial Institution	504,990,245	4.10
Bank of India	Bank	455,176,703	3.69
Punjab National Bank	Bank	437,564,781	3.55

<sup>#</sup> IDBI Trusteeship Services Limited ("ITSL") acting as security trustee is holding these shares on behalf of CDR lenders of GTL Limited.

<sup>^</sup> Andhra Bank merged with Union Bank of India as reflected in beneficiary position dated March 31, 2020

x) **Dematerialization of shares and liquidity:**

Trading in equity shares of the Company on the Stock Exchanges is permitted only in dematerialized form as per notification issued by the SEBI. The Shares of the Company are available for trading under the depository systems in India – National Securities Depositories Limited and Central Depository Services Limited. 99.23% of the Company's shares are held in dematerialized form as on March 31, 2020. The Company's equity shares are among the actively traded shares on the BSE & NSE.

x) **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:**

The details of outstanding convertible instrument as on March 31, 2020 are as follows:

Particulars	No. of Series B1 FCCBs (of US\$ 1,000 each)	No. of Series B2 FCCBs (of US\$ 1,000 each)	No. of Series B3 FCCBs (of US\$ 1,000 each)	Total No. of FCCBs (of US\$ 1000 each)	No. of Equity Shares upon conversion
FCCBs allotted	80,745	86,417	30,078	197,240	
Converted till March 31, 2020	29,397	–	17,267	46,664	303,962,756
Balance as on March 31, 2020	51,348	86,417	12,811	150,576	

\* Series B1 Bonds are compulsorily convertible into equity shares due 2022.

\*\* Series B2 Bonds carry an option to convert these bonds into equity shares at any time up to the close of business on October 27, 2022.

\*\*\* Series B3 Bonds are compulsorily convertible into equity shares due 2022

If balance convertible bonds are converted into equity shares of the Company, the total number of shares would go up by 980,830,982.

xii) **Equity shares in the Suspense Account:**

The Company has no cases as are referred to in Regulation 34 and 53 read with Schedule V of the Listing Regulations.

Members are requested to note that in compliance of Regulation 34 read with Schedule V of the Listing Regulations, the Company has dematerialized all the unclaimed shares into “GTL Infrastructure Limited – Unclaimed Suspense Account” with of the Depository Participant. The voting rights of those members shall remain frozen till the rightful owner claims the shares.

As stipulated under Regulation 34 read with Schedule V of the Listing Regulations, the Company reports the following details of equity shares lying in the suspense account as on March 31, 2020.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2019	490	49,857
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares remaining unclaimed as on March 31, 2020	490	49,857

xiii) **Plant Locations:**

The Company is in the business of providing Telecom Towers on a shared basis to multiple wireless telecom service providers. As of March 31, 2020, the Company owns Telecom Towers across all 22 telecom circles in India. List of Branch Offices and addresses are provided elsewhere in this Annual Report.

xiv) **Address for correspondence:**

Registered Office

: GTL Infrastructure Limited,  
3rd Floor, “Global Vision”,  
Electronic Sadan No. II,  
MIDC, TTC Industrial Area,  
Mahape, Navi Mumbai – 400710,  
Maharashtra, India  
Tel: +91–22–68293500  
Fax: +91–22–68293545  
Website: [www.gtlinfra.com](http://www.gtlinfra.com)  
Email for Investor Grievances: [gilshares@gtlinfra.com](mailto:gilshares@gtlinfra.com)

xv) The Company has not obtained any credit ratings for any of its debt instruments.

## 7. DISCLOSURES:

- a. There are no material related party transactions during the year under review that have conflict with the interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at following link :

<http://www.gtlinfra.com/investors/corporate-governance/>

- b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years viz. 2017-18, 2018-19 and 2019-20 respectively: NIL
- c. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No personnel have been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at following link  
<http://www.gtlinfra.com/investors/corporate-governance/>
- d. The Company has complied with Part C of Schedule V of the Listing Regulations.
- e. The Company does not have any subsidiary in terms of Section 2(87) of the Act and Regulation 2(1)(zm) of Listing Regulations.  
The Company has adopted policy for determining 'material' subsidiary, which is uploaded on web link –  
<http://www.gtlinfra.com/investors/corporate-governance/>
- f. The Company has Foreign Currency Loan and Foreign Currency Convertible Bonds (FCCB). These possess a Foreign Currency Risk as this is un-hedged. For a detailed discussion on foreign exchange risk and hedging activities, please refer to note no. 53b of the Financial Statements. The Commodity Price Risk, by and large, is managed contractually through price variation clauses.
- g. A certificate has been received from a Practicing Company Secretary that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- h. Pathak H. D. & Associates LLP, Chartered Accountants (Firm Regd. No. 107783W / W100593) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors fees is given below:

Particulars	Amount
Services as statutory auditor for FY 19-20	₹ 35,00,000/-
Services as statutory auditors for quarterly limited review reports	₹ 6,00,000/-
<b>Total</b>	<b>₹ 41,00,000/-</b>

- i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a policy on prevention of sexual harassment in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaint Committee has been setup to address complaints received regarding sexual harassment.

Details of number of complaints received, disposed of, and pending during year 2019-20 pertaining to the sexual harassment of women at workplace are as under.

Number of Complaints filed during the financial year 2019-20	1
Number of Complaints disposed of during the financial year 2019-20	1
Number of Complaints pending as on 31 <sup>st</sup> March, 2020	0

- j. **Non- Mandatory / Discretionary Requirements**

The Company has fulfilled following discretionary requirements as prescribed in Part E of the Schedule II of the Listing Regulations:

- i. The Board has Non-Executive Chairman. The expenses incurred by him in the performance of his duties are reimbursed.
- ii. Shareholders Rights –  
Financial Results for the half year / quarter ended September 30, 2019 were published in the Free Press Journal and

Navshakti newspapers and were also displayed on the Company's website [www.gtlinfra.com](http://www.gtlinfra.com) and disseminated to the Stock Exchanges (i.e. BSE & NSE) wherein its equity shares are listed, hence the same are not sent to the shareholders separately.

iii. Modified opinion(s) in Audit Report –

For the F.Y. 2019–20, the Auditor of the Company has issued modified opinions w.r.t. the Company's inability to quantify the amount of property tax on its telecom towers to be ultimately borne by it due to petition pending before the Hon'ble Supreme Court and the matter being still sub-judice, non-receipt of property tax demands in respect of majority of telecom towers and Company's contractual rights to recover such property tax from its customers.

iv. Separate post of Chairman and CEO –

The Post of Chairman and Whole-time Director are separate.

v. Reporting of Internal Auditor –

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

k. The Company has complied with all requirements of corporate governance report of sub-para (2) to (10) of Schedule V of the Listing Regulations.

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

m. Code of Conduct for Directors and Senior Management: In compliance with Regulation 26(3) of the Listing Regulations and the Act, the Company has framed and adopted a Code of Conduct and Ethics ('the Code') for all Board Members and Senior Management of the Company. The members of the Board and Senior Management personnel have affirmed the compliance with the Code of Conduct applicable to them during the year under review. The Annual Report of the Company contains a certificate by the Whole-time Director based on the declarations received from the Independent Directors, Non-Executive Directors and Senior Management. The said Code of Conduct has been uploaded on the website of the Company at following link

<http://www.gtlinfra.com/investors/corporate-governance/>

### **DECLARATION OF WHOLE-TIME DIRECTOR**

Pursuant to the provisions of Regulation 34(3) read with Schedule V(D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all the Board Members and Senior Management Personnel of GTL Infrastructure Limited have affirmed compliance with the Code of Conduct for 'Directors and Senior Management' for the year ended March 31, 2020.

Place: Mumbai  
Dated: June 24, 2020

**Milind K. Naik**  
Whole-time Director

### **INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

#### **Mr. Manoj G. Tirodkar, Non-Executive Chairman**

Mr. Manoj G. Tirodkar, aged 55 years, is the Non-Executive Chairman of the Company. He has been a member of the Board since August 8, 2005. 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. Under his leadership, Global Group of Companies have in the past partnered with leaders in technologies like Qualcomm, Ericsson, Alcatel-Lucent, Nokia Siemens Networks etc. to offer Network Services across the world. 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 honour of becoming the first Indian to win the World Young Business Achiever Award for 2000. Earlier he had won the Indian Young Business Achiever Award. Business Barons Taylors Nelson Sofres mode had ranked him 13<sup>th</sup> & 12<sup>th</sup> Best CEO of India for the years 2000 and 2001, respectively. He also received the Telecom Man of the Year Award in 1996.

He is a member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.

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

## CERTIFICATE

**[Pursuant to clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,  
**GTL Infrastructure Limited**  
 Navi Mumbai

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GTL Infrastructure Limited ('the Company') bearing CIN: L74210MH2004PLC144367 and having its registered office at 3rd Floor, "Global Vision" Electronic Sadan – II, MIDC TTC Industrial Area, Mahape, Navi Mumbai– 400710, Maharashtra, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para–C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31<sup>st</sup> March, 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	Director Identification Number (DIN)
1.	Mr. Manoj G. Tirodkar	00298407
2.	Mr N. Balasubramanian	00288918
3.	Mr. Milind K. Naik	00276884
4.	Dr. Anand P. Patkar	00634761
5.	Mr. Charudatta K. Naik	00225472
6.	Mr. Vinod B. Agarwala	01725158
7.	Mrs. Dina Sanjay Hatekar *	08535438
8.	Mrs. Sunali Chaudhry	07139326

\* appointed as an Additional director w.e.f. August 14, 2019

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2020.

Date : 04/09/2020  
 Place : Thane  
 UDIN: F007052B000660023

**Chetan Anant Joshi**  
 (FCS: 7052, CP: 7744)

**INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER THE PROVISION OF CHAPTER IV OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,

The Members,

**GTL Infrastructure Limited**

1. The Corporate Governance Report prepared by **GTL Infrastructure Limited** ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2020. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

**MANAGEMENT'S RESPONSIBILITY**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**AUDITORS' RESPONSIBILITY**

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedure includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**OPINION**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

**OTHER MATTERS AND RESTRICTION ON USE**

10. This Certificate 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.
11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For **Pathak H.D. & Associates LLP**

*Chartered Accountants*

Firm Registration No. 107783W / W100593

**Gopal Chaturvedi**

*Partner*

Membership No. 090903

UDIN No.: 20090903AAAADG3855

Place: Mumbai

Dated: September 4, 2020



# INDEPENDENT AUDITOR'S REPORT

**TO**  
**THE MEMBERS OF**  
**GTL INFRASTRUCTURE LIMITED**

## **Report on the Audit of the Financial Statements**

### **Qualified Opinion**

We have audited the accompanying Financial Statements of **GTL INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the 'Basis for Qualified Opinion' para below*, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at March 31, 2020 and its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

*Attention is drawn to Note No. 40 to the financial statements which inter alia states that, the Hon'ble Supreme Court of India held that "Mobile Telecommunication Tower" is a building and State can levy property tax on the same. Pending petitions of the Company before the appropriate Courts, non-receipt of demand notices for property tax in respect of majority of the Telecommunication Towers and also due to Company's right to recover such property tax amount from certain customers, the Company is unable to quantify the amount of property tax to be borne by it and accordingly the Company has not made any provision for the same. We are unable to quantify the amount of the property tax, if any, to be accounted for and its consequential effects on the financial statements.*

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the

financial statements under the provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Financial Statements.

### **Material Uncertainty Related to Going Concern**

We draw attention to the Note nos. 58 to the financial statements, regarding preparation of financial statements on going concern basis, notwithstanding the fact that the Company continue to incurred the cash losses, net-worth has been fully eroded, defaulted in repayment of principal and interest to its lenders, one of the secured lenders has applied before the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016, Aircel, one of the major customers of the Company has filed Insolvency petition before NCLT resulting into substantial reduction in the tenancy, provisions for impairment for Property, Plant & Equipment (refer Note No. 3(a)(vi) to the financial statements) since 79.34% (by value) of the Company's borrowing has been assigned by the lenders to the Edelweiss Asset Reconstruction Company Limited (EARC) and expected to have realignment of debt by the EARC in accordance with the Company's cash flow. These conditions along with other matters set forth in notes to the financial statements indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The appropriateness of the assumptions of the going concern is critically depended upon the Company's ability to raise finance and generate cash flows in future to meet its obligation and to restructure its borrowing with the lenders.

Our opinion is not modified in respect of this matter.

### **Emphasis of Matter**

Attention is drawn to Note no. 20.1 to the financial statements, as at March 31, 2020 balance confirmations from three of the lenders with respect to borrowings including interest accrued thereon aggregating to ₹ 63,449 Lakhs have not been received.

Our opinion is not modified in respect of this matter.

### **Key Audit Matters (KAM)**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>1. Impairment of Property, Plant and Equipment (PPE):</b></p> <p>Annually Management reviews whether there are any indicators of impairment of the PPE of the Company by reference to the requirements under Indian Accounting Standards (Ind AS) 36 – “Impairment of Assets”. Accordingly, Management has identified impairment indicators (operating losses, significant erosion of net-worth, etc.) in the Company. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of the PPE to their recoverable amount to determine whether impairment was required to be recognised.</p> <p>For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows.</p> <p>These conclusions are dependent upon significant management judgments, including in respect of:</p> <ul style="list-style-type: none"> <li>– Estimated utilization, incremental tenancy (growth rate), frequency of assets replacement expenditure to be incurred, disposal values and discount rates applied to future cash flows.</li> </ul> <p>During the year ended March 31, 2020 the management assessed carrying values of PPE and an impairment provision of ₹ 40,946 Lakhs has been recognised and reduce the aggregate carrying value of PPE to ₹ 584,906 Lakhs, to their estimated recoverable value, which is the value in use (Refer Note no. 3 to the Financial Statements).</p> <p>We considered this matter as key audit matter due to the significance of the carrying value of the assets being assessed and due to the level of management judgments required in the assumptions impacting the impairment assessment and the sensitivity of the impairment model.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>– Updating our understanding of management’s annual impairment testing process.</li> <li>– Assessing internal controls designed for identification of impairment indicators.</li> <li>– Ensuring that the methodology of the impairment exercise continues to comply with the requirements of Ind AS as adopted, including evaluating management’s assessment of indicators of impairment against indicators of impairment specified within Ind AS 36.</li> <li>– Assessing the assumptions around the key drivers of the cash flow forecasts including incremental tenancy growth, discount rates, estimated one time settlement with disputed operators, etc.</li> <li>– Discussing/Evaluating potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable.</li> <li>– Testing the arithmetical accuracy of the impairment model prepared by the management.</li> <li>– Verifying the completeness of disclosure in the financial statements as per Ind AS 36.</li> </ul>
<p><b>2. Adoption of Ind AS 116, “Leases”</b></p> <p>Effective April 1, 2019, Ind AS 116 replaces the existing standard Ind AS 17 and specifies how an entity will recognise, measure, present and disclose leases.</p> <p>As a Lessee: The standard provides a single lease accounting model, requiring lessees to recognise a right of use asset (“ROU asset”) and a corresponding liability on the lease commencement date. It provides exemption for leases with lease term of 12 months or less or the underlying asset has a low value. The Company has applied Ind AS 116.</p>	<p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"> <li>– Assessing the Company’s processes and controls for accounting of lease expenses / payables and lease income / receivables as part of our audit. Our audit approach included testing of the controls and substantive audit procedures, including: <ul style="list-style-type: none"> <li>– Verifying, on test check basis, the agreements with site owners to capture terms condition such as lease period, non-cancellable period, lease enhancement clause, etc.</li> </ul> </li> </ul>

Key Audit Matter	How our audit addressed the key audit matter
<p>As a Leasor: Rental income from operating lease is to be recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected increase in inflationary cost;</p> <p>We considered the first-time application of the standard as a key audit matter due to the judgements needed in establishing the underlying key assumptions.</p> <p>Refer Note no. 2.11 and 37 to the Financial Statements for the Lease policy and Disclosures respectively.</p>	<ul style="list-style-type: none"> <li>– Verifying, on test check basis, income is recognised as per the site rental agreements with the cellular operators including Master and Service Level Agreements.</li> <li>– Assessing the transition to Ind AS 116 by verifying consistency with the definitions and practical expedients of Ind AS 116;</li> <li>– Verifying the completeness of disclosures in the financial statements as per Ind AS 116, as applicable.</li> </ul>

### 3. Litigation Matters and Contingent Liabilities

<p>The Company is subject to number of significant litigations. Major risks identified by the Company in that area related to Service Tax, Property Tax, Legal cases initiated by various rental site owners and by a FCCB holder, Application filed by a lender to the NCLT under IBC for the recovery of loan, arbitration with the vendors / service providers, etc. The amount of litigation may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant Management judgment. (Refer Note No. 20.1, 36 (a), 38 &amp; 40 to the Financial Statements)</p> <p>Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined. Accordingly, it has been considered as a key matter.</p>	<p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"> <li>– Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to.</li> <li>– Obtaining an understanding of the risk analysis performed by the Company, with relating supporting documentation, and reading written statements from internal and external legal experts, where applicable.</li> <li>– Discussion with the management on the development in these litigations during the year ended March 31, 2020.</li> <li>– Enquiring from the Company's legal counsel (internal/ external) and study the responses as received from them.</li> <li>– Verification that the accounting and / or disclosure as the case may be in the financial statements made by the Company is in accordance with the assessment of legal counsel / management.</li> <li>– Obtaining representation letter from the management on the assessment of these matters as per SA 580(revised) – Written representations.</li> </ul>
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#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director's report included in the annual report but does not include the Financial Statements and our auditor's report thereon. The above information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified

above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs (financial position),

loss (financial performance including other comprehensive income), cash flows and the changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process

#### **Auditor's Responsibility for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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. Except for the effects of matters described in the Basis for Qualified Opinion paragraph above, 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 Balance Sheet, the Statement of Profit and Loss (Including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d. Except for the effects of matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Ind AS prescribed under Section 133 of the Act.
  - e. The matter described in the 'Basis for Qualified Opinion' paragraph above and the matter described under Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f. On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. 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**".

- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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 as amended, 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 in Note No. 20.1, 36(a), 38 and 39 to the Financial Statements except in respect of property tax as detailed in Note No. 40 to the financial statements where the amount is not quantifiable and which is also a matter of qualified opinion in this report;
  - (ii) The Company has made provisions, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of CARO 2016.

For **Pathak H.D. & Associates LLP**  
Chartered Accountants  
Firm Registration No. 107783W / W100593

**Gopal Chaturvedi**  
Partner

Place : Mumbai  
Dated: June 24, 2020

Membership No. 090903  
UDIN No.: 20090903AAAABW2251

## “ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

**(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 Infrastructure Limited on the Financial Statements for the year ended March 31, 2020)**

**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 INFRASTRUCTURE LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the 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.

### Auditor’s 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 of Auditing 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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 at March 31, 2020, 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 **Pathak H.D. & Associates LLP**

*Chartered Accountants*

Firm Registration No. 107783W / W100593

**Gopal Chaturvedi**

*Partner*

Place : Mumbai

Membership No. 090903

Dated: June 24, 2020

UDIN No.: 20090903AAAABW2251

## “ANNEXURE B” TO INDEPENDENT AUDITOR’S REPORT

(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 INFRASTRUCTURE LIMITED on the financial statements for the year ended March 31, 2020)

i. In respect of its fixed assets:

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

- b. As explained to us, the Company has physically verified certain assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.
- c. According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company except in respect of following immovable properties as detailed below:

(₹ in Lakhs)

Sr. No.	Particulars of the Building	Leasehold/ Freehold	Net Book Value	Remarks
1	Land at Sudhagad, Raigad (Pledged with the Bank)	Freehold	38	The title deed is in the name of Chennai Network Infrastructure Limited (CNIL) which got merged with the Company pursuant to the scheme of arrangement.
2	Building at Wanawadi, Pune (Pledged with the Bank)	Freehold	537	The title deed is in the name of Global Electronic Commerce services Limited, which was merged with GTL Limited (the seller)

Further, as informed to us, in respect of 8 immovable properties having Net Book Value of ₹ 3,545 Lakhs in respect of which the original title deeds have been deposited with the lenders as security, have been verified based on the photocopies of the documents for those immovable properties and based on such documents, the title deeds are held in the name of the company.

- ii. As explained to us, inventories have been physically verified during the year by the management and in our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company and the same have been properly dealt with.
- iii. The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, 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. The Company has not granted any loan or provided any guarantees or security to the parties covered under section 185 and 186.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of section 73 to 76 of the Act and the

Rule framed there under. Therefore, clause (v) of paragraph 3 of the CARO 2016 is 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, clause (vi) of paragraph 3 of the CARO 2016 is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- a. The Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees’ state insurance, income tax, duty of customs, duty of excise, value added tax, Goods and Services Tax, cess and any other statutory dues as applicable, with the appropriate authorities during the year, however delays have been noticed in case of property tax. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2020 for a period of more than six months from the date they become payable.
- b. The disputed statutory dues of income tax, sales tax, entry tax and value added tax and service tax aggregating to ₹ 22,544 Lakhs that have not been deposited on account of disputed matters pending before appropriate authorities as under:

Name of the Statutes	Nature of the Dues	Period to which it relates	₹ in Lakhs (*)	Forum where the dispute is pending
The Central Sales Tax Act, 1956 and Sales Tax Acts of various States	Sales Tax / VAT / Entry Tax	2007–08 to 2013–14	12,517	High Court
		2006–07 to 2008–09	3	Tribunal
		2009–10	1	Additional Commissioner
		2010–11 to 2017–18	146	Commissioner
		2009–10 & 2015–16	34	Joint Commissioner

Name of the Statutes	Nature of the Dues	Period to which it relates	₹ in Lakhs (*)	Forum where the dispute is pending
		2007–08 To 2013–2014	517	Deputy Commissioner
		2010–11 & 2011–12	9	1 <sup>st</sup> Appellate Authority
		2010–11	26	Presiding Member
The Finance Act, 1994	Service Tax/ GST	2010–11 to 2016–17	161	Tribunal
		2015–16 to 2017–18	17	Commissioner (Appeal)
		2012–13 to 2017–18	9,112	Commissioner
The Income Tax Act, 1961	Income Tax	2011–12	1	CIT(A)
		<b>Total</b>	<b>22,544</b>	

(\*) Net of amount deposited under protest

#### Property Tax:

As detailed in Note No. 40 to the Financial Statements the Company has disputed various matters related to Property tax payable on its telecommunication towers in respect of which it is not possible to quantify the amount in dispute.

- viii. Based on our audit procedures and information and explanations given by the management, and considering the Corporate Debt Restructuring (CDR) scheme with banks, financial institution; we are of the opinion that as on March 31, 2020 the Company has defaulted in repayments of loans to banks, financial institution, EARC, foreign lenders and FCCB holders aggregating to ₹ 156,904 Lakhs. Lender wise details of such default are as under:

Sr. No.	Bank / Financial Institution /Assets Reconstruction Co.	Amount of default as at the balance sheet date (₹ in Lakhs)	
		Above 3 months	Below 3 months
1	Corporation Bank	3,851	2,120
2	Canara Bank	6,566	3,361
3	IDBI Bank	3,709	1,545
4	Indian Bank	1,278	1,123
5	LIC of India	5,303	2,215
6	Edelweiss Asset Reconstruction Company Limited (EARC)*	78,482	32,337
7	FCCB Holders	9,275	94
8	Deutsche Investitions– und Entwicklungsgesellschaft mbH (DEG)	5,085	560
	<b>Total</b>	<b>113,549</b>	<b>43,355</b>

\* During the year one bank has assigned all its rights, title and interests in financial assistances granted by it to the Company in favor of EARC.

- ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the CARO 2016 is 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. In our opinion and according to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, clause (xii) of paragraph 3 of the CARO 2016 is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the 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 the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the CARO 2016 is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, clause (xv) of paragraph 3 of the CARO 2016 is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under section 45–IA of the Reserve Bank of India Act 1934.

For **Pathak H.D. & Associates LLP**

*Chartered Accountants*

Firm Registration No. 107783W / W100593

**Gopal Chaturvedi**

*Partner*

Place : Mumbai

Membership No. 090903

Dated: June 24, 2020UDIN

No.: 20090903AAAABW2251



## STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS

for the Financial Year ended March 31, 2020 on Financial Results

GTL Infrastructure Limited (the Company)

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

I. Sl. Particulars No.	Audited Figures (as reported before adjusting for qualifications) (₹ In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (₹ In Lakhs)
1. Turnover / Total income (Including Other Income)	143,723	Refer 'Details of Audit Qualification below'
2. Total Expenditure (Including Exceptional Items)	330,077	-do-
3. Net Profit/(Loss)	(186,354)	-do-
4. Earnings Per Share (in ₹)	(1.46)	-do-
5. Total Assets	743,017	-do-
6. Total Liabilities	762,347	-do-
7. Net Worth	(19,330)	-do-
8. Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable

### II. Audit Qualification (each audit qualification separately):

#### a. Details of Audit Qualification:

- i) "Attention is drawn to Note no. 3 to the statement which inter alia states that, the Hon'ble Supreme Court of India held that "Mobile Telecommunication Tower" is a building and State can levy property tax on the same. Pending petitions of the Company before the appropriate Courts, non-receipt of demand notices for property tax in respect of majority of the Telecommunication Towers and also due to Company's right to recover such property tax amount from certain customers, the company is unable to quantify the amount of property tax to be borne by it and accordingly has not made any provision for the same. We are unable to quantify the amount of the property tax, if any, to be accounted for and its consequential effects on the statement."

#### b. Type of Audit Qualification : Qualified Opinion

- c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing Qualification Referred in II (a) (i) – Coming since December 31, 2016

- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable

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

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

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

The Hon'ble Supreme Court vide its order dated December 16, 2016 upheld that "Mobile Telecommunication Tower" is exigible to Property Tax and the State can levy property tax to Mobile Towers. While deciding the Special Leave Petition (SLP) for Mumbai matters, the Hon'ble Supreme Court had given liberty to agitate the issue with regard to the retrospective operation of assessment/demand of tax and the quantum thereof before the appropriate forum. Post the Judgment of Hon'ble Supreme Court in January 2017; the Company had challenged the quantum of property tax and other issues before the Bombay High Court. By an order dated April 18, 2017, Bombay High Court dismissed the appeal.

Against the said order, the Company preferred a SLP with regards to the manner, quantum, component of property tax and other issues. The same was heard on January 25, 2018 and the Hon'ble Supreme Court was pleased to issue a notice to Municipal Corporation & also directed Municipal Corporations to maintain status quo. The said SLP was finally disposed of by an order dated January 02, 2019 and Hon'ble Supreme Court has set aside the Bombay High Court order dated April 18, 2017 and has directed the Bombay High Court to decide the Writ Petition on merits.

The Company has filed an amendment application before the Bombay High Court in view of the Supreme Court order and developments happened during the pendency of the SLP before Supreme Court.

Another IP Company by name ATC Telecom Pvt. Ltd have preferred an appeal before Hon'ble Supreme Court against the Order of the Gujarat High Court on the rates and taxes to be fixed for mobile towers in lieu of the Amendment made in the Gujarat Provincial Municipal Corporation Act, 1949 in the year 2011. Supreme Court after hearing the ATC Company in September, 2018 has granted leave and the matter is pending for final hearing. Further, The Company has also filed a SLP on July 10, 2019, bearing SLP No. 16649 of 2019 before Hon'ble Supreme Court against Nagpur Municipal Corporation challenging the calculation and quantum of the Property Tax. The Hon'ble Supreme Court has given a stay on the High Court Order subject to payment of 50% of the demanded amount.

The Company has also gone into an appeal against Nagpur Municipal Corporation before the Hon'ble Supreme Court of India and has obtained an interim order. The said matter has been tagged with another appeal filed by ATC Telecom Pvt. Ltd. Also with respect to the few sites where demand notices for property tax have been received, the Company has contested the demands by filing writ petitions in appropriate Courts for the assessment of property tax demand / retrospective levy of property tax, procedure and quantum that have been demanded. Various Hon'ble High Courts passed an order not to take any coercive action till the admission of matter.

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

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

Refer "Basis for Qualified Opinion" in the Independent Auditors' Report dated June 24, 2020 on the Financial Results of the company for the quarter and year ended March 31, 2020.

For **GTL Infrastructure Limited**

**Milind Naik**  
(Whole Time Director)  
(Din No. 00276884)

**Bhupendra Kiny**  
(Chief Financial Officer)

**N. Balasubramanian**  
(Audit Committee Chairman)  
(Din No. 00288918)

**Refer our Independent Auditors' Report dated June 24, 2020 on the Financial Results of the Company.**

For **Pathak H. D. & Associates LLP**  
**Chartered Accountants**  
Firm Reg. No. 107783W/ W100593

Mumbai  
Date: June 24, 2020

**Gopal Chaturvedi**  
Partner  
Membership No. 090903

# BALANCE SHEET AS AT MARCH 31, 2020

₹ in Lakhs

Particulars	Notes	As At March 31, 2020	As At March 31, 2019
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	3 (a)	584,906	676,172
(b) Right-of-use assets	3 (b)	58,408	–
(c) Capital work-in-progress	3 (c)	3,138	3,617
(d) Investment Property	3 (d)	3,238	3,306
(e) Intangible Assets	3 (e)	18	62
(f) Financial Assets			
(i) Investments	4	–	–
(ii) Other Bank Balances	5	2	3
(iii) Loans	6	8,679	6,848
(g) Other Non-current Taxes (Net)	7	120	760
(h) Other Non-current Assets	8	2,032	1,820
		<b>660,541</b>	<b>692,588</b>
<b>(2) Current Assets</b>			
(a) Inventories	9	260	311
(b) Financial Assets			
(i) Investments	10	6,010	1,062
(ii) Trade Receivables	11	7,941	10,757
(iii) Cash and Cash Equivalents	12	21,861	6,642
(iv) Bank Balances other than (iii) above	13	29,370	16,776
(v) Loans	14	1,568	3,585
(vi) Others	15	7,513	8,986
(c) Current Tax Assets (Net)	16	992	2,975
(d) Other Current Assets	17	6,961	12,895
		<b>82,476</b>	<b>63,989</b>
<b>Total Assets</b>		<b>743,017</b>	<b>756,577</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	18	1,231,910	1,231,910
(b) Other Equity	19	(1,251,240)	(1,064,860)
		<b>(19,330)</b>	<b>167,050</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	–	–
(ii) Lease Liabilities		51,392	–
(iii) Other Financial Liabilities	21	6,294	6,586
(b) Provisions	22	6,025	13,245
(c) Other non-current Liabilities	23	1,957	2,557
		<b>65,668</b>	<b>22,388</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	24		
– total outstanding dues of micro enterprises and small enterprises		35	46
– total outstanding dues of creditors other than micro enterprises and small enterprises		1,603	1,946
(ii) Lease Liabilities		16,736	–
(iii) Others Financial Liabilities	25	664,303	560,240
(b) Other Current Liabilities	26	7,934	4,511
(c) Provisions	27	6,068	396
		<b>696,679</b>	<b>567,139</b>
<b>Total Equity and Liabilities</b>		<b>743,017</b>	<b>756,577</b>
Significant Accounting Policies	2		
Notes to the Financial Statements	3 to 60		

As per our report of even date  
For **PATHAK HD & ASSOCIATES LLP**  
Chartered Accountants  
Firm Regd. No. 107783W / W100593

For and on behalf of the Board of Directors  
**MILIND NAIK**  
Whole Time Director  
DIN-00276884

**MANOJ TIRODKAR**  
Chairman  
DIN-00298407

**GOPAL CHATURVEDI**  
Partner  
Membership No: 090903

**BHUPENDRA KINY**  
Chief Financial Officer

Mumbai  
Date: June 24, 2020

**NITESH MHATRE**  
Company Secretary  
Membership No:A18487

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Notes	For the year ended on March 31, 2020	For the Year ended on March 31, 2019
<b>INCOME :</b>			
Revenue from Operations	28	141,694	150,021
Other Income	29	2,029	1,197
<b>Total Income</b>		<b>143,723</b>	<b>151,218</b>
<b>EXPENSES :</b>			
Infrastructure Operation & Maintenance Cost	30	86,436	108,389
Employee Benefits Expense	31	6,141	6,705
Finance Costs	32	66,222	53,343
Depreciation and Amortization Expenses	3	63,444	62,355
Bad Debts and Provision for Trade Receivables and Advances	33	5,236	4,070
Exchange Differences (Net)	34	3,306	2,328
Other Expenses	35	14,346	10,267
<b>Total Expenses</b>		<b>245,131</b>	<b>247,457</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>(101,408)</b>	<b>(96,239)</b>
Exceptional Items	36	84,946	57,701
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(186,354)</b>	<b>(153,940)</b>
Tax Expenses		–	–
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(186,354)</b>	<b>(153,940)</b>
<b>Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to Profit or Loss			
(i) Remeasurement of the defined benefit plans		26	60
(B) Items that will be reclassified to Profit or Loss		–	–
Total Other Comprehensive Income		(26)	(60)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(186,380)</b>	<b>(154,000)</b>
<b>Earnings Per Equity Share of ₹ 10 each</b>	42		
<b>Basic and Diluted</b>		<b>(1.46)</b>	<b>(1.21)</b>
Significant Accounting Policies	2		
Notes to the Financial Statements	3 to 60		

As per our report of even date  
For **PATHAK HD & ASSOCIATES LLP**  
Chartered Accountants  
Firm Regd. No. 107783W / W100593

**GOPAL CHATURVEDI**  
Partner  
Membership No: 090903

Mumbai  
Date: June 24, 2020

For and on behalf of the Board of Directors  
**MILIND NAIK**  
Whole Time Director  
DIN-00276884

**MANOJ TIRODKAR**  
Chairman  
DIN-00298407

**BHUPENDRA KINY**  
Chief Financial Officer

**NITESH MHATRE**  
Company Secretary  
Membership No:A18487

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax as per Statement of Profit and Loss	<b>(186,354)</b>	(153,940)
<b>ADJUSTED FOR</b>		
Depreciation and amortization expenses	<b>63,444</b>	62,355
Loss on sale of Property, Plant, Equipment (PPE)	<b>1,013</b>	469
Interest Income	<b>(1,019)</b>	(734)
Finance Costs	<b>66,222</b>	53,343
Foreign Exchange (Gain)/Loss (Net)	<b>3,306</b>	2,328
Difference on measurement of financial instruments at fair value through Profit & Loss	<b>(99)</b>	148
Profit on sale of Investments	<b>(509)</b>	(485)
Exceptional Items	<b>84,946</b>	57,701
Balances Written off (Net of Provision written back)	<b>240</b>	–
Provision for Trade Receivables and Energy Recoverables	<b>4,996</b>	4,069
Miscellaneous Income on Asset Retirement Obligation (ARO) & Lease	<b>(248)</b>	(54)
Prepaid Rent amortization	<b>573</b>	251
Advance revenue on deposits	<b>(831)</b>	(884)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>	<b>35,680</b>	24,569
<b>ADJUSTMENTS FOR</b>		
Trade and Other Receivables	<b>4,747</b>	(6,642)
Inventories	<b>51</b>	59
Trade and Other Payables	<b>513</b>	8,864
<b>CASH GENERATED FROM OPERATIONS</b>	<b>40,991</b>	26,851
Taxes paid/refund received (Net)	<b>2,623</b>	(490)
<b>NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES</b>	<b>43,614</b>	26,361
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of PPE and Capital Work-in-Progress (CWIP)	<b>(5,432)</b>	(5,129)
Proceeds from disposal of PPE & CWIP	<b>2,427</b>	1,750
Purchase of Investments	<b>(128,210)</b>	(92,165)
Sale of Current Investments	<b>123,871</b>	105,421
Interest Received	<b>945</b>	331
<b>NET CASH FLOW GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(6,399)</b>	10,209

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long-Term-Borrowings	–	(7,504)
Interest and Finance charges Paid	(24)	(19,930)
Payment towards principal portion of lease liability	(5,603)	–
Payment towards interest portion of lease liability	(3,776)	–
Other Bank Balances towards statutory demands under dispute and other commitments etc.	(12,585)	(16,532)
Fixed Deposits with Banks pledged as Margin Money, Debt Service Reserve Account and others	(8)	135
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(21,996)</b>	<b>(43,831)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>15,219</b>	<b>(7,261)</b>
Effect of exchange differences on cash and cash equivalent held in foreign currency (* previous year ₹ 7,199)	–	0*
<b>Cash and Cash Equivalents (Opening Balance)*</b>	<b>6,642</b>	<b>13,903</b>
<b>Cash and Cash Equivalents (Closing Balance)*</b>	<b>21,861</b>	<b>6,642</b>

\* Refer Note No.12 to the financial statements for the year ended March 31, 2020

- (i) The cash flow statement has been prepared under the “Indirect Method” as set out in Ind AS – 7 “Cash Flow Statements”.
- (ii) Figures in bracket indicate outflows.
- (iii) Changes in liabilities arising from financing activities on account of non current and current borrowings (including current maturities of non current borrowings)

Particulars	March 31, 2020	March 31, 2019
Opening Balance	491,268	495,642
Change from financing cash flows received/(paid) (net)	–	(7,504)
Changes on account of changes in foreign exchange rates	5,315	4,025
Changes on account of measurement of financial liabilities at amortised cost	(2,951)	(894)
Closing Balance	493,632	491,268

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

As per our report of even date

For **PATHAK HD & ASSOCIATES LLP**

Chartered Accountants

Firm Regd. No. 107783W / W100593

**GOPAL CHATURVEDI**

Partner

Membership No: 090903

Mumbai

Date: June 24, 2020

For and on behalf of the Board of Directors

**MILIND NAIK**

Whole Time Director

DIN–00276884

**MANOJ TIRODKAR**

Chairman

DIN–00298407

**BHUPENDRA KINY**

Chief Financial Officer

**NITESH MHATRE**

Company Secretary

Membership No:A18487

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

## (A) EQUITY SHARE CAPITAL

Particulars	Number	₹ in Lakhs
Equity Shares of INR 10 each issued, subscribed and fully paid		
<b>Balance as at April 1, 2018</b>	<b>12,125,270,616</b>	<b>1,212,527</b>
Issued during the Year		
– On conversion of Foreign Currency Convertible Bonds	191,487,940	19,149
– On Series B1	2,338,475	234
– On Series B3		
<b>Balance as at April 1, 2019</b>	<b>12,319,097,031</b>	<b>1,231,910</b>
Issued during the Year		
– On conversion of Foreign Currency Convertible Bonds	–	–
<b>Balance as at March 31, 2020</b>	<b>12,319,097,031</b>	<b>1,231,910</b>

## (B) OTHER EQUITY

Particulars	Equity Component of Compound Financial Instruments	Reconstruction Reserve	Reserves & Surplus			Retained earnings	Other Comprehensive Income	Other equity
			Capital Reserve	Securities premium				
<b>Balance as at April 1, 2018</b>	<b>61,175</b>	<b>1,993</b>	<b>1,846</b>	<b>60,667</b>	<b>(1,017,145)</b>	<b>(13)</b>	<b>(891,477)</b>	
– On conversion of Foreign Currency Convertible Bonds to Equity (Transfer to Share Capital)	–	–	–	–	–	–	–	
– Series B1 & Series B3 Compulsorily Convertible Bonds (Refer Note No. 20.5)	(19,383)	–	–	–	–	–	(19,383)	
Total Comprehensive Income for the year	–	–	–	–	(153,940)	(60)	(154,000)	
<b>Balance as at March 31, 2019</b>	<b>41,792</b>	<b>1,993</b>	<b>1,846</b>	<b>60,667</b>	<b>(1,171,085)</b>	<b>(73)</b>	<b>(1,064,860)</b>	
– On conversion of Foreign Currency Convertible Bonds to Equity	–	–	–	–	–	–	–	
– Series B1 & Series B3 Compulsorily Convertible Bonds (Refer Note No. 20.5)	–	–	–	–	(186,354)	(26)	(186,380)	
Total Comprehensive Income for the year	–	–	–	–	(1,357,440)	(99)	(1,251,240)	
<b>Balance as at March 31, 2020</b>	<b>41,792</b>	<b>1,993</b>	<b>1,846</b>	<b>60,667</b>	<b>(1,357,440)</b>	<b>(99)</b>	<b>(1,251,240)</b>	

₹ in Lakhs

As per our report of even date For and on behalf of the Board of Directors

**For PATHAK HD & ASSOCIATES**

Chartered Accountants

Firm Regd. No. 107783W / W100593

**GOPAL CHATURVEDI**

Partner

Membership No: 090903

Mumbai

Date: June 24, 2020

**MANOJ TIRODKAR**

Chairman

DIN–00298407

**BHUPENDRA KINY**

Chief Financial Officer

**NITESH MHATRE**

Company Secretary

Membership No:A18487

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**1. CORPORATE INFORMATION**

GTL Infrastructure Limited (GIL, the Company, erstwhile standalone company) is domiciled and incorporated in India under the provision of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The registered office of the Company is located at Global Vision, 3<sup>rd</sup> Floor, Electronic Sadan II, MIDC TTC Industrial Area, Mahape, Navi Mumbai– 400 710, India.

The Company is in the business of passive infrastructure sharing which is based on building, owning, operating and maintaining passive telecom infrastructure sites capable of hosting active network components of various technologies of multiple telecom operators as well providing energy management solutions.

The figures in the financial statements are rounded off to the nearest Rupees in Lakhs unless otherwise stated.

**2. BASIS OF PREPARATION AND PRESENTATION**

The financial statements of the Company have been prepared on a going concern basis in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value
- Defined Benefit Plans– measured at Fair Value

The preparation of the financial statements requires management to make estimates and underlying assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years.

The Company's financial statements are presented in Indian Rupees (INR) which is its functional and presentation currency. All values are rounded off to the nearest Lakhs (100,000), except when otherwise indicated.

**2 (A) Significant Accounting Policies****2.1. Property, Plant & Equipment**

- (a) Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost, any cost directly attributable to bringing the

assets to its working condition for its intended use, net changes on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. On transition to IND AS, the Company had elected to continue with the previous GAAP carrying values as deemed cost for all items of property, plant and equipment.

- (b) The tangible assets at cellular sites, which are ready for use during the particular month are capitalised on the last day of the month.
- (c) Advances paid towards acquisition of property, plant & equipment are disclosed as Capital Advances under Loans and Advances and cost of assets not ready for use before the year–end, are disclosed as capital work in progress.
- (d) Depreciation on following assets is provided to the extent of depreciable amount on Straight Line Method over the useful life of the assets as 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.

Asset	Years
Network Operation Assets	9
Air Conditioners	9
Battery Bank	3
Other Electrical and Power Supply Equipment	9
Office Equipment	3
Furniture and fittings	5
Vehicles	5
Diesel Generators	15

The management believes that the useful lives as given above represent the period over which these assets are expected to be used

- (e) The towers have been depreciated on straight line method at the rate of 2.72% per annum based on useful life of 35 years in terms of specific approval received from the Ministry of Corporate Affairs, Government of India vide Order no.45/2/2010–CL–III dated May 26, 2010 issued under Section 205(2)(d) of the Companies Act, 1956. The approval continues to be valid vide letter no.51/9/2014–CL–III dated September 19, 2014 received from Ministry of Corporate Affairs, Government of India.
- (f) Further, In respect of Fixed Assets whose actual cost does not exceed ₹ 5,000, depreciation is provided at 100% in the year of addition
- (g) The leasehold improvements have been depreciated over the lease period.



- (h) The revised carrying amount of the assets identified as impaired have been depreciated over residual useful life of the respective assets
- (i) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (j) Gains or losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

## 2.2. Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on investment properties are provided using straight line method over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation of investment properties are reviewed at each financial year end and are adjusted prospectively, if appropriate. The effects of any revision are included in the statement of profit and loss when the changes arises.

Though the Company measures investment properties using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

## 2.3. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use. On transition to IND AS, the Company had elected to continue with the previous GAAP carrying values as deemed cost.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposable proceeds and the carrying amount of

the asset and are recognised in the Statement of Profit and loss when the asset is derecognised.

The Company amortises intangible assets using the straight line method based on useful lives estimated by the management as mentioned below:

Computer Software	3 years
-------------------	---------

## 2.4. Impairment of Non-Financial Assets including Investment property

At each balance sheet date, the Company assesses whether there is any indication that any property, plant & equipment and intangible asset may be impaired, if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGUs to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## 2.5. Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 2.6. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks, on hand, cheques in hand, funds in transit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**2.7. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**I) Financial assets****A. Initial recognition and measurement**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss are adjusted to the fair value on initial recognition. Purchase and sale of financial asset are recognised using trade date accounting i.e. the date that the Company commits to purchase or sell the asset.

**B. Subsequent measurement****i) Financial Assets carried at amortised cost (AC)**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect the contractual cash flows and the contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category applies to Trade and other receivables, Security deposits, Other advance, Loan and advances to related parties, Unbilled Income, Interest Receivable etc.

**ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)**

A financial asset is subsequently measured at Fair Value through other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii) Financial Assets at Fair Value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss

**C. Equity investments**

All equity investments other than investment in Subsidiary and Associate are measured at fair value, with value changes recognised in Statement of Profit and loss except for those equity investments for which the Company has elected to present the value changes in 'other comprehensive income'

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

**D. Investment in subsidiaries and associates**

The Company accounts for its investments in subsidiaries and associates at cost in financial statements

**E. Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**F. Impairment of financial assets**

In accordance with IND AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used to recognising impairment loss allowance based on 12-month ECL.

## II. Financial liabilities

### A. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### B. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognised in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liabilities are recognised in the statement of profit and loss. The Company has not designated any financial liability at fair value through profit or loss.

#### b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised or through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

#### c) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognised less cumulative amortisation.

#### d) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**III. Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) contract that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of IND AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in IND AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

**IV. Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day

of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**V. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.8. Provisions, Contingent Liabilities, Contingent Assets and Commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**2.9. Fair value measurement**

"The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or

- b) In the absence of a principal market, in the most advantageous market for the asset or liability.”

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

## 2.10. Revenue recognition

The Company's revenue primarily consists of revenue for use of infrastructure facilities on individual / sharing basis and energy revenue for the provision of energy for operations of sites.

Revenue for use of infrastructure (which is termed as “Revenue from Telecom / Network Infrastructure Facilities”) is governed by IND AS 116. The same is recognized as and when services are rendered, on a monthly basis as per the contractual terms under agreements entered with customers. The Company has ascertained that the revenue for use of infrastructure facilities is structured to increase in line with expected inflationary increase in cost of the Company and hence, not straight-lined.

Effective April 1, 2018, the Company has applied IND AS 115 “Revenue from Contracts with Customers” which establishes a comprehensive framework to depict timing and amount of revenue to be recognised. The Company has adopted IND AS 115 using cumulative effect method, where any effect arising upon application of this standard is recognised as at the date of initial application i.e. April 1, 2018. Company's revenue for provision of energy for operation of sites is governed by IND AS 115; Company's revenue from use of infrastructure facilities, which is covered in leases is specifically excluded from the Scope of IND AS 115.

Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation. The Company

provides sharing benefits to its customers based on slab defined in the revenue contracts. Contract also contains clause on Service Level Agreements (SLAs) penalty, in case the Company is not able to maintain uptime level mentioned in the agreement. The Company estimates SLA penalty at each month end and reduces the same from revenue.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred as unearned revenue).

### Interest income

Interest Income from financial assets is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### Dividends

Income from dividends is recognised when the Company's right to receive the dividend has been established.

## 2.11. Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### i. Company as a lessee

#### Operating lease:

Effective April 1, 2019, the Company has adopted Ind AS- 116 “Leases” under modified retrospective approach without adjustment of comparatives and has considered a Right of Use (ROU) Assets and corresponding lease liabilities.

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company elects not to apply the requirements of Ind AS 116 to Short term leases or the leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as expense on either a straight line basis over lease term or another systematic basis. The Company has opted to recognize the asset retirement obligation liability as part of the cost of an item of property, plant and equipment in accordance with Ind AS 116.

## ii. Company as a lessor

### Operating lease:

Rental income from operating lease is recognised on a straight line basis over the lease term unless

payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected increase in inflationary cost; such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

## 2.12. Employee benefits

### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense during the year when the employees render the services.

### Post-Employment Benefits

#### Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

#### Defined Benefit Plan

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees 'services.

Re-measurement of defined benefit plans in respect of post-employment benefits are charged to the other Comprehensive Income.

## 2.13. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Foreign exchange differences arising on translation of liabilities assumed before April 01, 2016 which are considered as long-term foreign currency monetary items are capitalised, if related to acquisition of fixed assets, or transferred to Foreign Currency Monetary

Item Translation Difference Account and amortized over the balance period of such long term Foreign Currency Monetary items but not beyond March 31, 2020.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

#### 2.14. Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### 2.15. Taxes

Tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that

sufficient taxable profits will be available against which the temporary differences can be utilised.

#### 2.16. Earnings per share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) is the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period/year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

#### 2.17. Current and Non-Current Classification

"The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA)."

"An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current."

"A liability is classified as current when it is:

- Expected to be settled in normal operating cycle,
- Held primarily for the purpose of trading,
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current."

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**2(B) Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Operating Lease****1. As Lessor**

The Company has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Group, that such contracts are in the nature of operating lease and has accounted for as such.

The Company has ascertained that the annual escalations in the lease payment received under the MSA are structured to compensate the expected inflationary increase in cost and therefore has not been straight-lined.

**2. As Lessee**

The Company has assessed that agreements entered with the landlords contain lease of the underlying space based on evaluation of terms and conditions of the contracts with landlords and are accounted for as such under Ind AS 116

**b) Revenue Recognition**

The Company's revenue primarily consists of revenue for use of infrastructure facilities (Rentals) and energy revenue for the provision of energy for operations of sites. Rentals are not covered within the scope of IND AS 115, hence identification of distinct performance obligation within IND AS 115 do not involve significant judgement.

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, etc.

The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company provides sharing benefits to its customers based on slab defined in the revenue contracts. Contract also contains clause on Service Level Agreements (SLAs) benefits/penalties in case the Company is not able to maintain uptime level mentioned in the agreement.

These benefits/SLA penalties are called variable consideration. There is no additional impact of variable consideration as per IND AS 115 since maximum benefit is already being given to customer and the same is deducted from revenue. There is no additional impact of SLA as the Company already estimates SLA penalty amount and the same is provided for at each month end. This SLA is presented as net off with revenue in the Statement of profit and loss.

**c) Depreciation and useful lives of property plant and equipment**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

**d) Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of trade receivables and determining whether a provision against those receivables is required. Factors considered in assessing the recoverability of trade receivables include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**e) Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from



past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take in the future years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**f) Impairment of non-financial assets including investment property:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**g) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**h) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may

differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**i) Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**j) Taxes**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable income together with future tax planning strategies. The Company does not expect availability of future taxable income sufficient to utilise its deferred tax assets. Further details on taxes are disclosed in note 44.

**k) Asset retirement obligations**

The Company has recognised a provision for asset retirement obligations associated with telecommunication towers. Such Provision is recognised in respect of the costs for dismantling of infrastructure equipment and restoration of sites under operating leases, which are expected to be incurred at the end of the lease term, based on the estimate provided by the internal technical experts. In determining the fair value of such provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

The Company estimates that the costs would be incurred at the end of the lease term and calculates the provision using the DCF method based on the discount rate that approximates interest rate of risk free borrowings and current estimate of asset retirement obligation duly adjusted for expected inflationary increase in related costs.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 3. (a) Property, Plant and Equipment (PPE)

₹ in Lakhs

Particular	Tangible Assets						Total
	Land	Buildings	Plant and Equipments	Office Equipments	Furniture & Fixtures	Vehicles	
<b>COST</b>							
As at April 1, 2018	644	42,244	1,034,519	62	29	70	1,077,568
Additions	–	22	7,081	18	10	–	7,131
Less: Disposals/ Adjustments	–	280	18,589	30	–	–	18,899
Less: Transferred to Investment Property	–	4,105	–	–	–	–	4,105
<b>As at March 31, 2019</b>	<b>644</b>	<b>37,881</b>	<b>1,023,011</b>	<b>50</b>	<b>39</b>	<b>70</b>	<b>1,061,695</b>
Additions	–	4	5,286	10	–	49	5,349
Disposals/ Adjustments	–	954	25,505	–	–	–	26,459
<b>As at March 31, 2020</b>	<b>644</b>	<b>36,931</b>	<b>1,002,792</b>	<b>60</b>	<b>39</b>	<b>119</b>	<b>1,040,585</b>
<b>DEPRECIATION AND AMORTISATION</b>	<b>–</b>	<b>18,078</b>	<b>180,215</b>	<b>30</b>	<b>12</b>	<b>33</b>	<b>198,368</b>
<b>IMPAIRMENT</b>	<b>–</b>	<b>1,923</b>	<b>82,780</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>84,703</b>
Up to April 1, 2018							
Depreciation for the Year	–	5,062	57,120	17	10	15	62,223
Less: Disposals/ Adjustments	–	182	16,529	29	–	–	16,741
Less: Transferred to Investment Property	–	732	–	–	–	–	732
Add: Impairment (Refer Note No. 3 (a) (vi))	–	994	56,707	–	–	–	57,701
<b>DEPRECIATION AND AMORTISATION Up to March 31, 2019</b>	<b>–</b>	<b>22,226</b>	<b>220,806</b>	<b>18</b>	<b>22</b>	<b>48</b>	<b>243,119</b>
<b>IMPAIRMENT Up to March 31, 2019</b>	<b>–</b>	<b>2,917</b>	<b>139,487</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>142,404</b>
Depreciation for the Year	–	3,587	46,805	18	9	22	50,441
Disposals/ Adjustments	–	660	20,571	–	–	–	21,231
Impairment (Refer Note No. 3 (a) (vi))	–	524	40,422	–	–	–	40,946
<b>DEPRECIATION AND AMORTISATION Up to March 31, 2020</b>	<b>–</b>	<b>25,153</b>	<b>247,040</b>	<b>36</b>	<b>31</b>	<b>70</b>	<b>272,329</b>
<b>IMPAIRMENT Up to March 31, 2020</b>	<b>–</b>	<b>3,441</b>	<b>179,909</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>183,350</b>
<b>NET CARRYING AMOUNT</b>							
<b>As at March 31, 2019</b>	<b>644</b>	<b>12,738</b>	<b>662,719</b>	<b>32</b>	<b>17</b>	<b>22</b>	<b>676,172</b>
<b>As at March 31, 2020</b>	<b>644</b>	<b>8,337</b>	<b>575,845</b>	<b>24</b>	<b>8</b>	<b>49</b>	<b>584,906</b>

3 (a) (i) Land includes ₹ 38 Lakhs (Previous year ₹ 38 Lakhs) of erstwhile CNIL acquired pursuant to the scheme of arrangement, which are in the process of being transferred in the name of the Company.

3 (a) (ii) Buildings include properties having carrying value of ₹ 537 Lakhs (Previous year ₹ 549 Lakhs) for which deeds of conveyance have yet to be executed in favour of the Company and ₹ 0.07 Lakhs (March 31, 2017 ₹ 0.07 Lakhs) towards cost of 70 shares of ₹100 each in a Co-operative Housing Society

3 (a) (iii) Buildings includes Land related properties and Boundary Wall at Sites having carrying value of ₹ 7,916 Lakhs (Previous year ₹ 12,315 Lakhs).

3 (a) (iv) Additions to Plant & Equipments includes Net Foreign Exchange Difference of ₹ 336 Lakhs (Previous year ₹ (137) Lakhs) Capitalised during the year.

3 (a) (v) Property, Plant and Equipment (PPE) includes assets mortgaged as security (Refer Note No. 20.3)

3 (a) (vi) The Company, in accordance with the Indian Accounting Standard (Ind AS 36) 'Impairment of Assets', performed an impairment test based on current expectations of the impact of recent developments in telecom Sector on projected cash flows in tower business. The Carrying value of these assets exceeds its value in use and accordingly an impairment loss of Building ₹ 524 Lakhs and Plant & Equipments ₹ 40,422 Lakhs has been recognized for the year ended March 31, 2020 and the same has been disclosed as exceptional item (previous year Building ₹ 994 Lakhs and Plant & Equipments ₹ 56,707 Lakhs).

**3.(b) Right-of-use Assets**

₹ in Lakhs

Particulars	Right-of-use Assets
<b>COST</b>	
As at April 1,2018	–
Additions	–
Less: Disposals/ Adjustments	–
<b>As at March 31, 2019</b>	<b>–</b>
Opening balance (up to April 1, 2019)	64,412
Additions	8,608
Less: Disposals/ Adjustments	1,928
<b>As at March 31, 2020</b>	<b>71,092</b>
<b>DEPRECIATION / AMORTISATION / IMPAIRMENT</b>	
Up to April 1,2018	–
Depreciation Charged For The Year	–
Disposals/ Adjustments	–
<b>Upto March 31, 2019</b>	<b>–</b>
Depreciation Charged For The Year	12,891
Less: Disposals/ Adjustments	207
<b>Upto March 31, 2020</b>	<b>12,684</b>
<b>NET CARRYING AMOUNT</b>	
<b>As at March 31, 2019</b>	<b>–</b>
<b>As at March 31, 2020</b>	<b>58,408</b>

**3.(c) Capital work-in-progress**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Work-in-progress	3,138	3,617

- 3 (c) (i) Capital Work-in-Progress includes:  
 Inventory of Capital goods amounting to ₹ 2,826 Lakhs (Previous Year ₹ 3,617 Lakhs)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 3.(d) Investment Property

₹ in Lakhs

Particulars	Buildings
<b>COST</b>	
As at April 1,2018	–
Add: Transferred from Property, Plant & Equipments	4,105
Less: Disposals/ Adjustments	–
<b>As at March 31, 2019</b>	<b>4,105</b>
Additions	–
Less: Disposals/ Adjustments	–
<b>As at March 31, 2020</b>	<b>4,105</b>
<b>DEPRECIATION / AMORTISATION / IMPAIRMENT</b>	
Up to April 1,2018	–
Transferred from Property, Plant & Equipments	731
Depreciation Charged For The Year	68
Disposals/ Adjustments	–
<b>Upto March 31, 2019</b>	<b>799</b>
Depreciation Charged For The Year	68
Less: Disposals/ Adjustments	–
<b>Upto March 31, 2020</b>	<b>867</b>
<b>NET CARRYING AMOUNT</b>	
<b>As at March 31, 2019</b>	<b>3,306</b>
<b>As at March 31, 2020</b>	<b>3,238</b>

3 (d) (i) Information regarding Income and Expenditure of Investment Property :

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Rental Income derived from investment property	118	62
Re–imbursement of Expenses	–	3
Less : Direct Operating Expenses (Including repairs & maintenance) generating rental income	(25)	(7)
Income arising from investment property before depreciation	93	59
Less : Depreciation for the year	(68)	(68)
<b>Income from Investment Property (Net)</b>	<b>25</b>	<b>(10)</b>

3 (d) (ii) The Company's Investment Property as at March 31, 2020 consists of Building as mentioned above

3 (d) (iii) During the previous year the Company has transferred Certain office premises from buildings to Investment Property as the same have been rented out. The Fair Value of the Property as at March 31,2020 are ₹ 3,540 Lakhs (Previous year– ₹ 3,540 Lakhs). These valuations are based on ready reckoner rate as on date. The fair value measurement is categorised in Level 3 fair value hierarchy.

3 (d) (iv) Specific Charge – Banks, Financial Institutions and Asset Reconstruction Trust of the erstwhile standalone Company continue to have specific charge.

### 3. (e) Intangible Assets\*

₹ in Lakhs

Particulars	Software Licenses	Customers Contract	Total
<b>COST</b>			
As at April 1, 2018	171	73,622	73,793
Additions	78	–	78
Less: Disposals/ Adjustments	–	–	–
<b>As at March 31, 2019</b>	<b>249</b>	<b>73,622</b>	<b>73,871</b>
Additions	1	–	1
Less: Disposals/ Adjustments	–	–	–
<b>As at March 31, 2020</b>	<b>250</b>	<b>73,622</b>	<b>73,872</b>
<b>DEPRECIATION AND AMORTISATION</b>	<b>123</b>	<b>14,427</b>	<b>14,550</b>
<b>IMPAIRMENT</b>	<b>–</b>	<b>59,195</b>	<b>59,195</b>
Up to April 1, 2018			
Depreciation Charged For The Year	64	–	64
Less: Disposals/ Adjustments	–	–	–
Add: Impairment (Refer Note No. 3 (e) (i))	–	–	–
<b>DEPRECIATION AND AMORTISATION Up to March 31, 2019</b>	<b>187</b>	<b>14,427</b>	<b>14,614</b>
<b>IMPAIRMENT Up to March 31, 2019</b>	<b>–</b>	<b>59,195</b>	<b>59,195</b>
Depreciation Charged For The Year	45	–	45
Less: Disposals/ Adjustments	–	–	–
Add: Impairment (Refer Note No. 3 (e) (i))	–	–	–
<b>DEPRECIATION AND AMORTISATION Up to March 31, 2020</b>	<b>232</b>	<b>14,427</b>	<b>14,659</b>
<b>IMPAIRMENT Up to March 31, 2020</b>	<b>–</b>	<b>59,195</b>	<b>59,195</b>
<b>NET CARRYING AMOUNT</b>			
<b>As at March 31, 2019</b>	<b>62</b>	<b>–</b>	<b>62</b>
<b>As at March 31, 2020</b>	<b>18</b>	<b>–</b>	<b>18</b>

\* Other than Internally generated

3 (e) (i) As of March 31, 2020, in terms of Ind AS 36– Impairment of Assets, the Company assessed that there is no indication of intangible assets being impaired. Accordingly, the Company recognized impairment of ₹ NIL during the year (previous year ₹ NIL)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

#### 4. Non-Current Financial Assets – Investments (Long-term, Trade)

₹ in Lakhs

Particulars	Number		Face Value (Rupees)	As at March 31, 2020	As at March 31, 2019
	As at March 31, 2020	As at March 31, 2019			
<b>Carried at Fair Value through Profit &amp; Loss</b>					
<b>Unquoted, Fully Paid-up</b>					
Others					
(i) 0.01% Non-Participating Optionally Convertible Cumulative Preference Shares (OCPS) in GTL Limited.	650,000,000	650,000,000	10.00	–	–
(ii) Equity Shares – Global Rural NETCO Ltd.	33,250,000	33,250,000	10.00	–	–
<b>TOTAL</b>				–	–
4.1 Aggregate Amount of Unquoted Investments				–	–
4.2 Total Financial Assets Carried at Fair Value Through Profit & Loss				–	–
4.3 Refer Note No. 2.7 for basis of valuation					

#### 5. Other Bank Balances

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Fixed Deposits with Banks held as Security for Sales Tax	2	3
<b>Total</b>	<b>2</b>	<b>3</b>

#### 6. Loans

₹ In Lakhs

Particulars	As At	As At
	March 31, 2020	March 31, 2019
Security Deposit –		
Others		
– Considered good	8,512	6,669
– Which have significant increase in credit risk	223	239
– Credit impaired	–	–
	<b>8,735</b>	<b>6,908</b>
Less : Provision for expected credit loss	56	60
	<b>8,679</b>	<b>6,848</b>
<b>Total</b>	<b>8,679</b>	<b>6,848</b>

**7 Other Non-current Taxes**

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Advance income-tax (net of provision for taxation)	120	760
<b>Total</b>	<b>120</b>	<b>760</b>

**8 Other Non-Current Assets  
(Unsecured, Considered good unless otherwise stated)**

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Capital advances –		
Others		
– Considered good	564	281
– Considered Doubtful	243	243
	<b>807</b>	524
Less: Provision for doubtful advances	243	243
	<b>564</b>	281
Prepaid Expenses	559	684
Other Advance*	909	855
<b>Total</b>	<b>2,032</b>	<b>1,820</b>

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

**9 Inventories**

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Stores, Spares and Consumables	260	311
<b>Total</b>	<b>260</b>	<b>311</b>

Refer Note No. 2.5 for basis of valuation

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**10. Current Financial Assets – Investments  
(Other than Trade)**

₹ In Lakhs

Particulars	Number		Face Value (₹)	As at March 31, 2020	As at March 31, 2019
	As at March 31, 2020	As at March 31, 2019			
<b>Investment (Carried at Fair Value through Profit &amp; Loss)</b>					
<b>Unquoted</b>					
<b>In Unit of Mutual Funds</b>					
DSP Blackrock Liquidity Fund – Direct Plan – Growth	–	13,356	1,000	–	357
DSP Ultra Short Fund – Regular Plan – Growth	–	28,916	1,000	–	705
HDFC Ultra Short Term Fund – Regular Growth	<b>35,392,030</b>	–	1,000	<b>3,966</b>	–
ICICI Prudential Liquid Fund – Growth	<b>527,066</b>	–	100	<b>1,542</b>	–
ICICI Prudential Overnight Fund Growth	<b>466,442</b>	–	100	<b>502</b>	–
<b>Total</b>				<b>6,010</b>	1,062

**Note:**

10.1 Aggregate Amount of Unquoted Investments	<b>6,010</b>	1,062
10.2 Total Financial Assets Carried at Fair Value Through Profit & Loss	<b>6,010</b>	1,062
10.3 Refer Note No. 2.7 for basis of valuation		

**11 Trade Receivables  
(Unsecured and subject to confirmation)**

₹ In Lakhs

	As At March 31, 2020	As At March 31, 2019
Trade Receivables		
– Considered good	<b>7,941</b>	10,757
– Which have significant increase in credit risk	–	–
– Credit impaired	<b>25,948</b>	21,624
	<b>33,889</b>	32,381
Less : Provision for expected credit loss – Credit impaired	<b>25,948</b>	21,624
	<b>7,941</b>	10,757
<b>Total</b>	<b>7,941</b>	10,757



**12. Cash and Cash Equivalents**

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Cash and cash equivalents		
Balances with Banks:		
– in current accounts	21,860	6,637
Cash on hand	1	5
	<u>21,861</u>	<u>6,642</u>
<b>Total</b>	<b>21,861</b>	<b>6,642</b>
12.1 Cash and Cash Equivalents (As per Cash Flow Statement)	21,861	6,642

**13 Other Bank Balances**

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Margin Money	254	239
Fixed Deposits with Banks* (0 Value stands for ₹ 3,225)	0	5
	<u>254</u>	<u>244</u>
Demand Drafts in hand	29,116	16,532
(Towards contingent & Other liabilities and GTL arbitration claim (Refer Note No. 36 (a)))		
<b>Total</b>	<b>29,370</b>	<b>16,776</b>

\* Includes ₹ 0.13 Lakh (Previous year ₹ 1 Lakh) having maturity period of more than 12 months.

**14. Loans**

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Deposits		
– Considered good	1,216	3,231
– Which have significant increase in credit risk	434	473
– Credit impaired	–	–
	<u>1,650</u>	<u>3,704</u>
Less : Provision for expected credit loss	82	119
	<u>1,568</u>	<u>3,585</u>
<b>Total</b>	<b>1,568</b>	<b>3,585</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 15 Others Current Financial Assets

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Unbilled Income	7,346	8,544
Other Receivables (Unsecured, Considered good unless otherwise stated)*		
– Considered good	–	–
– Considered Doubtful	2,458	2,458
	2,458	2,458
Less: Provision for doubtful advances	2,458	2,458
	–	–
Interest Receivable	167	442
<b>Total</b>	<b>7,513</b>	<b>8,986</b>

\* It include receivables on settlement with one of the customers.

## 16 Current Tax Assets (Net)

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Advance income–tax (net of provision for taxation)	992	2,975
<b>Total</b>	<b>992</b>	<b>2,975</b>

17 Other Current Assets  
(Unsecured, Considered good unless otherwise stated)

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Balance with Government Authorities	3,271	1,769
Prepaid expenses	532	375
Other Deposits	1,738	1,566
Other Advances*		
– Considered good	1,420	9,185
– Considered Doubtful	3,274	3,274
	4,694	12,459
Less: Provision for doubtful advances	3,274	3,274
	1,420	9,185
<b>Total</b>	<b>6,961</b>	<b>12,895</b>

\* Mainly relating to advances to suppliers, employees, etc.

## 18 Equity Share Capital

₹ In Lakhs

Particulars	As At	As At
	March 31, 2020	March 31, 2019
<b>Authorised</b>		
16,000,000,000; (16,000,000,000); Equity Shares of ₹ 10 each	1,600,000	1,600,000
200,000,000; (200,000,000); Preference Shares of ₹100 each	200,000	200,000
	<b>1,800,000</b>	1,800,000
<b>Issued, subscribed and fully paid-up</b>		
12,319,097,031; (12,319,097,031); Equity Shares of ₹ 10 each fully paid-up	1,231,910	1,231,910
<b>Total</b>	<b>1,231,910</b>	<b>1,231,910</b>

### 18.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

	As At		As At	
	March 31, 2020		March 31, 2019	
	Number	₹ In Lakhs	Number	₹ In Lakhs
Equity Shares at the beginning of the Year	12,319,097,031	1,231,910	12,125,270,616	1,212,527
Issued during the Year				
– On conversion of Foreign Currency Convertible Bonds (Refer Note – 20.5)	–	–	193,826,415	19,383
Equity Shares at the end of the year	12,319,097,031	1,231,910	12,319,097,031	1,231,910

### 18.2 Terms/rights attached to equity shares

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

### 18.3 Shares reserved for issue under options :

The Foreign Currency Convertible Bonds (FCCB) holders have the option to convert FCCB into 417,922,743 Equity Shares (Previous year 417,922,743). The Company has excluded such number of convertible securities which are likely to be redeemed in terms of Series B2 Bonds. (Refer Note No. 20.5)

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

Name of share holders	As At		As At	
	March 31, 2020		March 31, 2019	
	Number of Shares held	% holding in Share Capital	Number of Shares held	% holding in Share Capital
GTL Limited	0*	0%*	0*	0%*
IDBI Trusteeship Services Limited	2,046,505,865*	16.61%*	2,046,505,865*	16.61%*
Central Bank Of India	942,154,365	7.65%	942,154,365	7.65%
Union Bank of India	1,248,787,313	10.14%	874,769,676	7.10%
Indian Overseas Bank	670,032,490	5.44%	670,032,490	5.44%
Bank Of Baroda	727,974,981	5.91%	662,087,739	5.37%

\* During the last Financial year ended March 31, 2019, shares pledged by GTL Ltd (the Promoter Company) in favour of CDR lenders of GTL Ltd through security trustee IDBI Trusteeship Services Ltd were invoked.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**18.5** Out of total paid up capital, 94,843,348 equity shares allotted pursuant to compulsory conversion of Series A Bonds on maturity are not yet listed, since information regarding the Series A Bondholders are not available with the Company. In the absence of requisite information, the Company has allotted the said equity shares to a Trust, created for the benefit of Series A Bondholders.

**19 Other Equity**

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019	
<b>Equity Component of Compound Financial Instruments</b>			
Opening Balance	41,792	61,175	
Add: Series B1 & Series B3 Foreign Currency Convertible Bonds	—	—	
	<b>41,792</b>	61,175	
Less: Transferred to Share Capital on conversion of FCCB into Equity Shares	—	19,383	
	<b>41,792</b>		41,792
<b>Reconstruction Reserve</b>			
Balance as per last Balance Sheet	1,993		1,993
<b>Capital Reserve</b>			
Balance as per last Balance Sheet	1,846		1,846
<b>Securities premium account</b>			
Balance as per last Balance Sheet	60,667		60,667
<b>Retained Earnings in the Statement of Profit &amp; Loss</b>			
Opening Balance	(1,171,085)	(1,017,145)	
Add: Loss for the Year	(186,354)	(153,940)	
	<b>(1,357,439)</b>		(1,171,085)
<b>Other Comprehensive Income in the Statement of Profit &amp; Loss</b>			
Opening Balance	(73)	(13)	
Add: Loss for the Year	(26)	(60)	
	<b>(99)</b>		(73)
<b>Total</b>	<b>(1,251,240)</b>		<b>(1,064,860)</b>

**Nature and purpose of Reserves****19.1 Equity Component of Compound Financial Instruments**

Equity Component represents FCCB Series B1 & B3 Bonds compulsorily convertible into equity shares. (Refer Note No. 20.5)

**19.2 Share Suspense Account**

Share Suspense represents number of equity shares to be issued pursuant to the Scheme of Arrangement between CNIL and the Company and their respective shareholders and creditors (the "Scheme") and got converted into Equity Shares as per the Scheme.

**19.3 Reconstruction Reserve**

Created pursuant to scheme of arrangement approved by Hon'ble High Court in earlier years. It shall be utilised as per provisions of Companies Act 2013.

#### 19.4 Capital Reserve

Created On Forfeiture of Preferential Convertible Warrants. It shall be utilised as per provisions of Companies Act 2013.

#### 19.5 Securities premium

Created on conversion of Employee Stock Options Scheme , Preferential Warrants and Foreign currency convertible Bonds. It shall be utilised as per provisions of Companies Act 2013.

### 20 Borrowings

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
<b>Secured Loans</b>		
Rupee Term Loans from		
– Banks	64,377	70,862
– Financial Institution	16,399	21,258
– Asset Reconstruction Trust	240,041	274,170
	<b>320,817</b>	366,290
Unsecured Loans		
– Foreign Currency Convertible Bonds (Refer Note – 20.5)	66,586	60,572
Less:		
Transferred to Other Current Financial Liabilities (Reclassified pursuant to IND (AS) –1) (Refer Note No. 20.1 & 25)	(387,403)	(426,862)
<b>Total</b>	<b>–</b>	<b>–</b>

**20.1** As per the arrangements with the Lenders, the Company is required to comply with certain covenants and non-compliance with these covenants may give rights to the lenders to demand Repayment of the loans. To comply with the requirement of IND AS –1 “Presentation of Financial Statement” and as an abundant precaution the Company has classified Non-Current borrowings as Current Financial liability first time in the Balance Sheet as at March 31, 2019. It is the contention of the Company that moment 75% of lenders assigned their financial debt to ARC, the rest of the lenders are obligated to transfer their financial debt to Edelweiss Assets Reconstruction Company Limited (EARC) pursuant to paragraph 6.4 of the Master Circular dated July 1, 2015 issued by the Reserve Bank of India on Prudential Norms on Income Recognition Assets Classification and provisioning pertaining to Advances (IRAC) Guidelines. All the rights & liabilities including right to claim & demand any interest or principal related to their debt have deemed to be assigned and vested unto and in favour of EARC. The Company was up to date with its debt servicing to all lenders till August 2018. Subsequently, more than 75 % of lenders have sold & assigned their debt under IRAC Guidelines unto and in favour of EARC. During the year ended March 31, 2020, 0.41% of Indian Rupee Debt of ₹ 1,666 Lakhs have been assigned in favour of Edelweiss Asset Reconstruction Company (“EARC”); accordingly, total assignment till date amounts to ₹ 322,625 Lakhs constituting 79.34% of total Indian Rupee Debt. The Company is in active discussion with EARC to restructure its debt to bring it down to sustainable level. Further, the Company is also contesting and pursuing legal proceedings to enforce Reserve Bank of India’s Master Circular on “Prudential Norms on Income Recognition, Assets Classification and Provisioning Pertaining to Advances” dated July 1, 2015 (“IRAC”) clause 6.4 (d) (ii) against remaining lenders. Pursuant to the same, the Company has not obtained balance confirmations from these lenders. The proceeding initiated by one of the remaining secured lenders, as stated above, allegedly claiming ₹ 64,638 Lakhs has filed proceedings before the National Company Law Tribunal (the “NCLT”) under Insolvency and Bankruptcy Code 2016 which has not been admitted so far. The Hon’ble Supreme Court vide its order dated March 6, 2020 was pleased to issue notice and directed the Respondents to maintain status quo in the matter.

**20.2** As on March 31, 2020, Banks holding 79.34% (by value) of the Indian Rupee debt, equivalent to ₹ 322,625 Lakhs assigned all their rights, title and interests in financial assistances granted by them to the Company in favour of Edelweiss Asset Reconstruction Company Limited (“EARC”), acting in its capacity as Trustee of EARC Trust–SC 338 vide Assignment Agreement executed in favor of EARC.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**20.3 (A) Rupee Term Loans from Banks, Financial Institutions and Asset Reconstruction Trust are secured as follows:**

- (i) Specific Charge – Banks, Financial Institutions and Asset Reconstruction Trust of the erstwhile standalone Company ₹ 172,248 Lakhs (Previous year ₹ 172,248 Lakhs) and erstwhile CNIL ₹ 234,377 Lakhs (Previous year ₹ 234,377 Lakhs) continue to have specific charge on the assets or properties of respective companies as existed on the effective date of merger i.e December 22, 2017.
- (ii) Personal guarantee of Mr. Manoj Tirodkar (Promoter) and sponsor support from Global Holding Corporation Private Limited (GHC) towards any shortfall in debt servicing to Banks and Financial Institution.

**(B) Foreign Currency Term Loan from Financial Institutions is secured as follows:**

Specific Charge – Secured Foreign Currency Lender of erstwhile standalone Company of ₹ 6,240 Lakhs (Previous year ₹ 5,854 Lakhs) will continue to have specific charge on the assets or properties of erstwhile standalone Company as existed on the effective date of merger i.e December 22, 2017.

- (C) All Secured Lenders have parri passu charge on all the present and future current assets including Cash flow and assets or properties acquired and erected after the effective date of merger i.e December 22, 2017

**20.4 Terms of Repayment**

- (i) Rupee Term Loans from Banks, Financial Institutions and Asset Reconstruction Trust (including Current Maturities of Long-term borrowings) having an effective yield of 10.75% over the tenure of the facility amounting to ₹ 365,526 Lakhs are repayable in 33 structured quarterly instalments ending on June 30, 2026 as per the SDR termsheet. The Maturity Profile of these loans is as set below:

	2020–21	2021–22	2022–23
	₹ 92,641 Lakhs	₹ 45,103 Lakhs	₹ 50,126 Lakhs
2023–24	2024–25	2025–26	2026–27
₹ 53,508 Lakhs	₹ 53,508 Lakhs	₹ 54,431 Lakhs	₹ 16,209 Lakhs

- (ii) Part of Rupee Term Loan from Asset Reconstruction Trust (assigned by ICICI Bank Limited) (including current maturities of Long-term borrowings) having an effective yield of 8 % over the tenure of the facility amounting to ₹ 30,604 Lakhs is repayable in 33 structured quarterly instalments ending on June 30, 2026 as per the SDR terms. The Maturity Profile of these loans is as set below:

	2020–21	2021–22	2022–23
	₹ 8,439 Lakhs	₹ 3,694 Lakhs	₹ 4,030 Lakhs
2023–24	2024–25	2025–26	2026–27
₹ 4,198 Lakhs	₹ 4,366 Lakhs	₹ 4,366 Lakhs	₹ 1,511 Lakhs

- (iii) Rupee Term Loan from Asset Reconstruction Trust having an Interest rate of 8% p.a aggregating to ₹ 10,493 Lakhs are repayable only after the Final Settlement date of all the other restructured Loans i.e., June 30, 2026 as per SDR terms,.
- (iv) The Foreign Currency Term Loan (included Current Maturities of Long term borrowings) is repayable in 24 equated quarterly instalments of Euro 4 Lakhs starting from June 15, 2013 and ending on March 15, 2021. The loan carries Interest rate of 3 months Euribor+200 bps.

**20.5 Foreign Currency Convertible Bonds (FCCBs) :**

- (i) During the previous financial year, the Company had issued 80,745 Zero Coupon Foreign Currency Compulsorily Convertible Bonds due on 2022 of US\$ 1000 each ("Series B1 Bonds"), 86,417 Interest Bearing Convertible Bonds due on 2022 of US\$ 1000 each ("Series B2 Bonds") and 30,078 Zero Coupon Compulsorily Convertible due 2022 of US\$ 1000 each ("Series B3 Bonds") in exchange of the then Existing outstanding Interest Bearing Convertible Bonds due 2017 ("Series B Bonds") of US\$ 167,193,000 along with redemption premium and outstanding interest on Series B Bonds, pursuant to Offering Memorandum dated October 26, 2017. Since these bonds were issued against the cashless exchange offer, the Company did not receive any proceeds from the offering of the Series B1 Bonds, Series B2 Bonds and Series B3 Bonds.

(ii) Terms and Conditions of the Series B1 Bonds:

- a. The Series B1 Bonds are compulsorily convertible into fully paid equity shares of ₹ 10 each on October 27, 2022 at a fixed rate of exchange of ₹ 65.1386 to US\$ 1.00 subject to certain adjustments as described in Terms and Conditions of Series B1 Bonds;
- b. The Series B1 Bonds are also convertible at the option of the holders of the Series B1 Bonds, (i) at any time from the date of issue of the Series B1 Bonds up to March 20, 2018, into equity shares at a conversion price equal to ₹ 20 per share, provided however, that on occurrence of a proposed Change of Control on and from the date issue of the Series B1 Bonds till March 20, 2018, the conversion price will be reset to ₹ 10 per Share; or (ii) at any time after March 20, 2018, into Shares at a conversion price being the higher of (a) ₹ 10 per Share, or (b) Regulatory Floor Price in each case at a fixed rate of exchange on conversion of ₹ 65.1386 to US\$ 1.00 subject to certain adjustments as described in Terms and Conditions of Series B1 Bonds.
- c. The Series B1 Bonds do not bear any interest.

(iii) Terms and Conditions of the Series B2 Bonds:

- a. The Series B2 Bonds bear interest at a fixed rate of 6.7310% p.a. payable semi-annually in arrears on April 26 and October 26, beginning on the 12 months anniversary of the issuance of the Series B2 Bonds i.e. on October 26, 2018.
- b. The Series B2 Bonds are redeemable at 100% of its principal amount on October 27, 2022 unless previously redeemed, converted or purchased and cancelled.
- c. The Series B2 Bonds are convertible at the option of the holders of the Series B2 Bonds at any time from the date of the issue of the Series B2 Bonds up to the close of business on October 27, 2022 into Equity Shares at a conversion price equal to ₹ 10 per Share with a fixed rate of exchange on conversion of ₹ 65.1386 to US\$ 1.00 subject to certain adjustments as described in Terms and Conditions of Series B2 Bonds.
- d. Following the occurrence of a Change of Control, the holder of each Series B2 Bond will have the right at such holder's option to require the Company to redeem in whole but not in part such holder's Series B2 Bonds at 100.0% of their principal amount ("Change of Control Put Price"), together with accrued and unpaid interest and default interest (if any) up to and including the date of payment of the Change of Control Put Price.

(iv) Terms and Conditions of the Series B3 Bonds:

- a. The Series B3 Bonds are compulsorily convertible into fully paid equity shares of ₹ 10 each on October 27, 2022 at a fixed rate of exchange of ₹ 65.1386 to US\$ 1.00 subject to certain adjustments as described in Terms and Conditions of Series B3 Bonds;
- b. The Series B3 Bonds are convertible at the option of the holders of the Series B3 Bonds at any time from the date of issue of the Series B3 Bonds up to the close of business on October 27, 2022 into Equity Shares at a conversion price equal to ₹ 10 per Share with a fixed rate of exchange on conversion of ₹ 65.1386 to US\$ 1.00, subject to certain adjustments as described in Terms and Conditions of Series B3 Bonds.
- c. The Series B3 Bonds do not bear any interest.

- (v) As on March 31, 2020, 51,348 Series B1 Bonds, 86,417 Series B2 Bonds and 12,811 Series B3 Bonds were outstanding.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 20.6 The details of overdue Principal and interest payable as at March 31, 2020 is as follows:

(₹ In Lakhs)

Particulars	Total Overdue	Aging			
		1 months	3 Months	1 Year	1–2 Years
Principal Payable on Rupee Term Loan from Banks & Financial Institution*	12,127	1,872	1,872	3,743	4,641
Principal Payable on Rupee Term Loan from Asset Reconstruction Trust*	46,436	7,127	7,127	14,253	17,929
Principal Payable on Foreign Currency Term Loan from Financial Institution*	4,992	312	–	936	3,744
Interest Payable on Rupee Term Loan from Banks & Financial Institution**	18,944	4,108	2,513	7,558	4,765
Interest Payable on Rupee Term Loan from Asset Reconstruction Trust**	64,383	8,817	9,267	28,271	18,028
Interest Payable on Foreign Currency Term Loan from Financial Institution**	653	248	–	79	326
Interest Payable on Foreign Currency Convertible Bonds**	9,369	94	–	4,401	4,873
<b>Total</b>	<b>156,904</b>	<b>22,578</b>	<b>20,779</b>	<b>59,241</b>	<b>54,306</b>

\* Included in Current Maturities of Long–Term Borrowings (Refer Note – 25)

\*\* Shown as Interest accrued and due on Borrowings (Refer Note – 25)

## 21. Other non–current Financial Liabilities

₹ In Lakhs

Particulars	As At	As At
	March 31, 2020	March 31, 2019
Deposits from customers	6,294	6,586
<b>Total</b>	<b>6,294</b>	<b>6,586</b>

## 22 Provisions

₹ In Lakhs

Particulars	As At	As At
	March 31, 2020	March 31, 2019
Provision for compensated absences	49	66
Asset Retirement Obligation	5,976	13,179
<b>Total</b>	<b>6,025</b>	<b>13,245</b>

## 23 Other non–current Liabilities

₹ In Lakhs

Particulars	As At	As At
	March 31, 2020	March 31, 2019
Advance Revenue	1,957	2,557
<b>Total</b>	<b>1,957</b>	<b>2,557</b>

## 24 Trade Payables

₹ In Lakhs

Particulars	As At	As At
	March 31, 2020	March 31, 2019
Suppliers for goods and services		
– Micro, Small & Medium Enterprises	35	46
– Others	1,603	1,946
<b>Total</b>	<b>1,638</b>	<b>1,992</b>



**24.1 Details of dues to micro, small & medium enterprises as defined under the MSMED Act, 2006**

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
(a) Principal amount Outstanding	35	46
(b) Interest thereon*	2	6
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period:		
(a) Interest paid in terms of Section 16	NIL	NIL
(b) Delayed principal payments	NIL	43
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	2	6
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

The Company has compiled this information based on intimations received from suppliers of their status as Micro or Small enterprises and / or its registration with the appropriate authority under Micro, Small and Medium Enterprises Development Act, 2006.

\* Interest waived by the parties is not considered for the purpose of above disclosure.

**25 Other Current Financial Liabilities**

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Borrowings Reclassified from Non-current Borrowings pursuant to IND (AS) –1 (Refer Note No. 20 & 20.1)		
Secured Loans		
Rupee Term Loans from		
– Banks	64,377	70,862
– Financial Institution	16,399	21,258
– Asset Reconstruction Trust	240,041	274,170
	<b>320,817</b>	366,290

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
Unsecured Loans		
– Foreign Currency Convertible Bonds (Refer Note – 20.5)	66,586	60,572
Current maturities of long-term borrowings (Refer Note – 20.6)		
– Rupee Term Loans from Banks and Financial Institutions	21,274	12,379
– Foreign Currency Term Loans from Financial Institutions	6,246	5,844
– Rupee Term Loans from Asset Reconstruction Trust	79,805	46,184
	<b>107,325</b>	64,407
Interest accrued but not due on borrowings	9	1,792
Interest accrued and due on borrowings (Refer Note – 20.6)	93,827	33,434
Deposits from customers	5,416	4,191
Creditors for Capital goods (Refer Note No. 25.1)		
– Micro, Small & Medium Enterprises	11	34
– Others	89	315
	<b>100</b>	349
Other Payable*	70,223	29,205
<b>Total</b>	<b>664,303</b>	<b>560,240</b>

\* Mainly includes Provision towards Rent, Electricity, Salary, Other expenses and GTL arbitration Claim (Refer Note No. 36 (a)) payable.

## 25.1 Details of dues to micro, small &amp; medium enterprises as defined under the MSME Act, 2006

₹ In Lakhs

Particulars	As At March 31, 2020	As At March 31, 2019
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
(a) Principal amount Outstanding	11	34
(b) Interest thereon* (0 Value stands for ₹ 35,203)	0	6
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period:		
(a) Interest paid in terms of Section 16	NIL	NIL
(b) Delayed principal payments	NIL	NIL

₹ In Lakhs

Particulars	As At	As At
	March 31, 2020	March 31, 2019
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year (0 Value stands for ₹ 35,203)	0	6
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

The Company has compiled this information based on intimations received from suppliers of their status as Micro or Small enterprises and / or its registration with the appropriate authority under Micro, Small and Medium Enterprises Development Act, 2006.

\* Interest waived by the parties is not considered for the purpose of above disclosure.

## 26 Other Current Liabilities

₹ In Lakhs

Particulars	As At	As At
	March 31, 2020	March 31, 2019
Advance Revenue	738	816
Advance received from customer	24	103
Property Tax Payable	4,009	3,446
Statutory dues	3,163	146
<b>Total</b>	<b>7,934</b>	<b>4,511</b>

## 27 Provisions

₹ In Lakhs

Particulars	As At	As At
	March 31, 2020	March 31, 2019
Provision for compensated absences	4	8
Asset Retirement Obligation	6,064	388
<b>Total</b>	<b>6,068</b>	<b>396</b>

## 28 Revenue from Operations

₹ In Lakhs

Particulars	For the	For the
	Year ended	Year ended
	March 31, 2020	March 31, 2019
Revenue from Telecom/Network Infrastructure Facilities	84,488	90,377
Energy and Other Re-imbursements	57,206	59,644
<b>Total</b>	<b>141,694</b>	<b>150,021</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**29 Other Income**

₹ In Lakhs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest Income	1,019	734
Difference on measurement of financial instruments at fair value through Profit & Loss	99	(148)
Profit on Sale of Investments	509	485
Miscellaneous Income	402	126
<b>Total</b>	<b>2,029</b>	<b>1,197</b>

**30 Infrastructure Operation & Maintenance Cost (Net)**

₹ In Lakhs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Short-term Lease – Site Rentals	9,762	25,506
Power, Fuel and Maintenance Charges	68,435	74,159
Repairs and Maintenance to Plant and Equipments	509	459
Stores & Spares consumption	9	11
Other Operating Expenditure	7,721	8,254
<b>Total</b>	<b>86,436</b>	<b>108,389</b>

**31 Employee Benefits Expense**

₹ In Lakhs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Salaries and Allowances	5,801	6,403
Contribution to Provident Fund, Gratuity fund and Other Funds	300	255
Employee Welfare and other amenities	40	47
<b>Total</b>	<b>6,141</b>	<b>6,705</b>

**31.1 Employee Benefits:**

As per IND AS –19 “Employee Benefits” the disclosure of Employee Benefit, as defined in IND AS are given below:

**Defined Contribution Plan**

₹ In Lakhs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Employer’s Contribution to Provident fund	159	152
Employer’s Contribution to Pension fund	80	47
<b>Total</b>	<b>239</b>	<b>199</b>

**Defined Benefit Plan**

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

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

₹ In Lakhs

Particulars	Gratuity Funded	
	As at March 31, 2020	As at March 31, 2019
Defined Benefit Obligation at beginning of the Year	490	546
Current Service Cost	48	59
Current Interest Cost	37	43
Past Service Cost	–	–
Liability Transfer In	22	6
Liability Transfer Out	(1)	–
Actuarial (Gains)/Losses on Obligation – Due to change in Demographic Assumptions	–	25
Actuarial (Gains)/Losses on Obligation – Due to change in Financial Assumptions	19	10
Actuarial (Gains)/Losses on Obligation – Due to Experience	6	10
Benefits paid	(174)	(209)
Defined Benefit Obligation at the end of the Year	447	490

**b. Reconciliation of opening & closing balances of fair value of plan assets**

₹ In Lakhs

Particulars	Gratuity Funded	
	As at March 31, 2020	As at March 31, 2019
Fair Value of Plan Asset at beginning of the Year	621	718
Interest Income	47	56
Expected Return on Plan Assets	(1)	(14)
Actuarial Gain/ (Loss)		
Contributions	60	64
Fund Transfer In	22	6
Fund Transfer out	(1)	–
Benefits paid	(174)	(209)
Fair Value of Plan Asset at the end of the Year	574	621

**c. Reconciliation of present value of obligations & fair value of plan assets**

₹ In Lakhs

Particulars	Gratuity Funded	
	As at March 31, 2020	As at March 31, 2019
Fair Value of Plan Asset at the end of the Year	574	621
Present Value of Defined Benefit Obligation at end of the Year	447	490
Liability/ (Asset) recognised in the Balance Sheet	(127)	(131)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## d. Expense Recognised During the year

₹ In Lakhs

Particulars	Gratuity Funded	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Current Service Cost	48	59
Net Interest Cost	(10)	(13)
Past Service Cost	–	–
Net Cost Recognised in Statement of Profit and Loss Account	38	46
In Other Comprehensive Income (OCI)	–	–
Actuarial (Gain)/ Loss	25	46
Return on plan assets	1	14
Net (Income)/Expenses for the year recognised in OCI	26	60

## e. Assumptions used to determine the defined benefit obligation

₹ In Lakhs

Particulars	Gratuity Funded	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Mortality Table	<b>Indian Assured Lives mortality (2006–08) Ultimate</b>	Indian Assured Lives mortality (2006–08) Ultimate
Discount Rate(p.a.)	<b>6.82%</b>	7.47%
Estimated rate of return on Plan Assets(p.a.)	<b>6.82%</b>	7.47%
Expected rate of increase in salary(p.a.)	<b>5.00%</b>	5.00%

The estimates of rate of increase in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return of Plan Assets is determined considering several applicable factors. Mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

## f. The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ In Lakhs

Particulars	Gratuity Funded	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Insurance Fund	574	621

**g. Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

**Sensitivity Analysis**

₹ In Lakhs

Particulars	Gratuity Fund							
	For the year ended March 31, 2020		For the year ended March 31, 2020		For the year ended March 31, 2019		For the year ended March 31, 2019	
Sensitivity level	1%	Increase	1%	Decrease	1%	Increase	1%	Decrease
<b>Assumptions</b>								
Impact of Rate of discounting		(29)		32		(31)		35
Impact of Rate of salary increase		27		(26)		31		(29)
Impact of Rate of Employee Turnover		4		(5)		6		(7)

**h. Expected Contribution towards defined benefit plan in future years**

**Maturity Analysis of Projected benefit Obligation :From the Fund**

₹ In Lakhs

Particulars	Gratuity Funded	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Within 1 year	49	50
1–2 year	30	30
2–3 year	28	61
3–4 year	37	30
4–5 year	45	44
5–10 years	218	236
11 years & above	370	455

Maturity Analysis of Projected Defined Benefit Obligation is done considering future salary ,attrition &death in respective year for members as mentioned above.

**32 Finance Costs**

₹ In Lakhs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest	57,573	51,508
Finance Cost on Lease Liability	6,403	–
Exchange difference to the extent considered as an adjustment to borrowing costs	2,246	1,835
<b>Total</b>	<b>66,222</b>	<b>53,343</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**33 Bad Debts and Provision for Trade Receivables and Advances**

₹ In Lakhs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Balances Written Off (Net)	912	2,594
Less: Provision for Doubtful Debts/Advances Written Back	(672)	(2,594)
Provision for Trade Receivables & Energy Recoverables	4,996	564
Provision for Doubtful Advances	–	3,506
<b>Total</b>	<b>5,236</b>	<b>4,070</b>

**34 Exchange Differences (Net)**

₹ In Lakhs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Exchange differences (net)	3,306	2,328
<b>Total</b>	<b>3,306</b>	<b>2,328</b>

**35 Other Expenses**

₹ In Lakhs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Short-term Lease	573	794
Property Tax Including Rates and Taxes – Others	6,632	1,256
Electricity	85	113
Repairs and Maintenance		
– Office Equipments	40	25
– Others	9	6
Insurance Premium	552	431
Communication Cost	78	56
Travel and Conveyance	495	626
Legal and Professional Charges	3,773	5,241
Payment to Auditors	41	46
Office Expenses	357	397
Printing and Stationery	42	48
Directors' Sitting Fees	103	73
Advertisement and Business Promotion	12	57
Loss on Sale of Fixed Assets (Net)	1,013	469
Miscellaneous Expenses	541	629
<b>Total</b>	<b>14,346</b>	<b>10,267</b>



**35.1 Auditor's Remuneration includes**

Particulars	₹ In Lakhs	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Audit Fees	35	35
Tax Audit Fees	–	–
Certification Fees	6	11
<b>Total</b>	<b>41</b>	<b>46</b>

**36. Exceptional Items**

Particulars	₹ In Lakhs	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Impairment loss (Refer note no. 3(a)(vi))	40,946	57,701
GTL Arbitration Claim (Refer note no. 36(a))	44,000	–
<b>Total</b>	<b>84,946</b>	<b>57,701</b>

- a) Pursuant to the Energy Management & Field Level Management Services Agreement and Suspension Agreement, GTL Limited ("GTL"), invoked arbitration against the Company claiming ₹ 69,000 Lakhs along with damages under its recovery. Arbitral Tribunal of 3 (Three) retired Supreme Court Judges has been formed and on examination of the underlying facts, the Hon'ble Tribunal passed its interim award dated December 17, 2019 directing the Company to pay an amount of ₹ 44,000 Lakhs. The Company preferred an appeal before the Hon'ble Delhi High Court, while confirming the interim award passed by the Arbitral Tribunal, the appeal was dismissed by the High Court. In view of the Arbitration award and dismissal of appeal by Delhi High Court, the Company has provided ₹ 44,000 Lakhs as claims against arbitration and disclosed the same as exceptional item in the financial statements. After the dismissal of the appeal, the Company entered into a Settlement Agreement with GTL, whereby it was agreed between the parties to settle all the pending disputes and to inboard OME division into the Company, for lump sum settlement of ₹ 40,000 Lakhs. Lenders consent of respective Parties were pre-condition to the final settlement. Basis settlement, the Company had earmarked ₹ 31,229 Lakhs. The Company approached the lenders with a request to allow it to make payment as per the agreement but the Lenders of the Company refused to grant consent to the proposed settlement in lenders meeting held on April 23, 2020 and directed the Company to remit the earmarked funds of ₹ 31,229 Lakhs to the Company's TRA. In view of the above, the settlement agreement stands cancelled and earmarked amount is deposited in the TRA Account. Accordingly, the interim award dated December 17, 2019 remains unsatisfied & GTL is pursuing pending execution application before Hon'ble Delhi High Court. The balance claim of GTL is still under consideration by the Arbitral Tribunal.

**37. Maturity Analysis as per Ind AS 116**

**Company as a lessor**

The Company has entered into operating lease arrangement with its customers for Infrastructure provisioning. Maturity analysis of lease receivable and payable under operating lease are as follows:

**Maturity Analysis of Lease Receivables on undiscounted basis**

Periods	₹ In Lakhs	
	As of March 31, 2020	
0–1 Year	62,460	
1–2 Year	59,106	
2–3 Year	54,961	
3–4 Year	<b>51,813</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

₹ In Lakhs

Periods	As of March 31, 2020
4–5 Year	49,556
Above 5 Year	128,482
<b>Total</b>	<b>406,378</b>

**Company as a lessee**

Effective April 1, 2019, the Company has adopted Ind AS– 116 “Leases” under modified retrospective approach without adjustment of comparatives and has considered a Right of Use (ROU) Assets and corresponding lease liabilities of ₹ 71,092 Lakhs during the Year ended March 31, 2020. Due to transition, the nature of expenses in respect of non–cancellable operating lease has changed from lease rent to depreciation and finance costs for the ROU assets and lease liabilities respectively. This has resulted in increase in depreciation and amortization expense ₹ 12,891 Lakhs, finance costs of ₹ 6,403 Lakhs and decrease in infrastructure operations and maintenance cost of ₹ 16,021 Lakhs and decrease in other expenses of ₹ 207 Lakhs for the Year ended March 31, 2020.

₹ In Lakhs

Particulars	As of March 31, 2020
Depreciation charge for right–of–use assets	12,891
Interest expense on lease liabilities	6,403
Expense relating to short–term leases:	
– Infra Operation & maintenance cost	9,762
– Other Expenses	573
Total cash outflow for leases	9,379
Additions to right–of–use assets	8,608
Carrying amount of right–of–use assets	58,408
Carrying amount of lease liabilities	68,128

**Maturity analysis of lease Payables on undiscounted basis**

₹ In Lakhs

Periods	As of March 31, 2020
Within one year	15,229
After one year but not later than five years	43,348
Later than five years	28,692
<b>Total</b>	<b>87,269</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**38. (A) Contingent Liabilities and Commitments**

- i) Contingent liabilities not provided for:

Particulars	₹ In Lakhs	
	March 31, 2020	March 31, 2019
Bank guarantees (provided under contractual and legal obligations)	29	29
Claims against the Company not acknowledged as debts	120,295	59,440
Disputed liability in respect of indirect tax matters under appeal	22,542	26,662
Disputed liability in respect of direct taxes matters under appeal	1	1
Employee related expected claims	850	2,500

- (ii) Certain Legal issues are outstanding against the Company mainly in relation to the alleged non-compliance of policies of municipal corporations, cases pending for permanent injunctions, objections by the local residents, disputes with site owners, in respect of which the amounts cannot be quantified at this stage and therefore the Contingent Liability in respect of this could not be determined.

The Company does not expect any material financial effect of the above matters under litigation.

**(B) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)**

Particulars	₹ In Lakhs	
	March 31, 2020	March 31, 2019
Capital Commitments	672	575

Cash outflow is expected on execution of such contracts on progressive basis.

- (C) As a matter of abundant precaution and on the basis of legal advice, the Company has set aside amounts towards certain statutory dues, other commitments, Arbitration claim, contingent liabilities such as Service Tax, Property Tax, Operational Dues, etc. This can be referred in note no. 13, 25 and 36(a) to financial statements. considering the possibilities of payments under protest.

39. During earlier years, as legally advised, the Company's CENVAT credit aggregating to ₹ 7,993 Lakhs was utilized for discharging service tax liability of CNIL, an erstwhile Associate, which subsequently got merged with the Company. CNIL also paid the same amount to the Service Tax Authority under Voluntary Compliance Encouragement Scheme (VCES) in November, 2013. Subsequently, the Company filed a writ petition in High Court of judicature at Mumbai for seeking restoration of this cenvat credit and based on the Mumbai High court direction, CESTAT passed the order in March 2015 for allowing the Company to restore the said amount as Cenvat credit. The Service tax authorities have filed an appeal with the High court challenging the CESTAT order passed in March 2015. The Company has been advised that there will not be any outflows in this regard.

40. The Hon'ble Supreme Court vide its order dated December 16, 2016 upheld that "Mobile Telecommunication Tower" is exigible to Property Tax and the State can levy property tax to Mobile Towers. While deciding the Special Leave Petition (SLP) for Mumbai matters, the Hon'ble Supreme Court had given liberty to agitate the issue with regard to the retrospective operation of assessment/demand of tax and the quantum thereof before the appropriate forum. Post the Judgment of Hon'ble Supreme Court in January 2017; the Company had challenged the quantum of property tax and other issues before the Bombay High Court. By an order dated April 18, 2017, Bombay High Court dismissed the appeal.

Against the said order, the Company preferred a SLP with regards to the manner, quantum, component of property tax and other issues. The same was heard on January 25, 2018 and the Hon'ble Supreme Court was pleased to issue a notice to Municipal Corporation & also directed Municipal Corporations to maintain status quo. The said SLP was finally disposed of by an order dated January 02, 2019 and Hon'ble Supreme Court has set aside the Bombay High Court order dated April 18, 2017 and has directed the Bombay High Court to decide the Writ Petition on merits. The Company has filed an amendment application before the Bombay High Court in view of the Supreme Court order and developments happened during the pendency of the SLP before Supreme Court.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Another IP Company by name ATC Telecom Pvt. Ltd have preferred an appeal before Hon'ble Supreme Court against the Order of the Gujarat High Court on the rates and taxes to be fixed for mobile towers in lieu of the Amendment made in the Gujarat Provincial Municipal Corporation Act, 1949 in the year 2011. Supreme Court after hearing the ATC Company in September, 2018 has granted leave and the matter is pending for final hearing. Further, The Company has also filed a SLP on 10<sup>th</sup> July 2019, bearing SLP No. 16649 of 2019 before Hon'ble Supreme Court against Nagpur Municipal Corporation challenging the calculation and quantum of the Property Tax. The Hon'ble Supreme Court has given a stay on the High Court Order subject to payment of 50% of the demanded amount.

The Company has also gone into an appeal against Nagpur Municipal Corporation before the Hon'ble Supreme Court of India and have obtained an interim order. The said matter has been tagged with another appeal filed by ATC Telecom Pvt. Ltd. Also with respect to the few sites where demand notices for property tax have been received, the Company has contested the demands by filing writ petitions in appropriate Courts for the assessment of property tax demand / retrospective levy of property tax, procedure and quantum that have been demanded. Various Hon'ble High Courts passed an order not to take any coercive action till the admission of matter.

The matter being still sub-judice, non-receipt of demand notes for majority of the towers of the Company and the Company's right to recover property tax from certain customers, the Company is unable to quantify actual property tax amount payable excluding the components which are under challenge. The provision will be considered as and when the matter is solved. In respect of the above, the auditors have issued modified reports for the year ended on March 31, 2020.

41. As per Ind AS 24, the disclosure of transactions with the related parties are given below:

(a) List of Related Parties and relationships:

(I) Key Management Personnel

Mr. Milind K. Naik, Whole Time Director

Mr. Bhupendra J. Kiny, Chief Financial Officer

Mr. Nitesh A. Mhatre, Company Secretary

(II) Others

GTL Limited (upto March 28, 2019)

(b) Transactions during the year with related parties:

Particulars	₹ In Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>I] KEY MANAGERIAL PERSONNEL</b>		
i) <b>Milind Naik – Whole Time Director**</b>		
Salaries & Allowances	240	78
Post Employment Benefits	5	4
<b>Total</b>	<b>245</b>	<b>82</b>
ii) <b>Bhupendra Kiny, CFO*</b>		
Salaries & Allowances	218	116
Post Employment Benefits	4	3
<b>Total</b>	<b>222</b>	<b>119</b>
iii) <b>Nitesh Mhatre, Company Secretary*</b>		
Salaries & Allowances	141	39
Post Employment Benefits	2	2
<b>Total</b>	<b>143</b>	<b>41</b>

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>II] OTHER</b>		
<b>GTL Limited**</b>		
Purchase / Upgradation of Fixed Assets	–	2,164
Reimbursement of expenses from	–	9
License fees for sharing premises from	–	44
Energy Management Services / Interim Service Fees	–	6,622
Field Level Operations & Maintenance Charges	–	16,656
Legal and Professional Charges	–	24
Reimbursement of expenses to	–	44
Rent to	–	282

**Note:** \* As the Liability for gratuity and leave encashment are provided for the company as a whole amounts accrued pertaining to Key Mahagerial Personnel are not included above.

# The remuneration to Whole Time Director, Mr. Milind Naik, includes that arrears of remuneration of ₹ 65.96 Lakhs for FY 2017–18 and ₹ 48.02 Lakhs for FY 2018–19 as approved by the Nomination and Remuneration Committee of the Board of Directors at their meeting held on April 30, 2019.

\*\* During the year ended March 31, 2019, equity shares pledged by GTL Ltd. (the Promoter Company) in favour of CDR lenders of GTL Ltd. through security trustee IDBI Trusteeship Services Ltd. (ITSL) were invoked and transferred to account of ITSL. Thereby shareholding of GTL Ltd. in the Company as on March 31, 2019 falls to nil, which is below the minimum prescribed limit of being related to the Company. Accordingly, GTL Ltd. Ceases to be as related party of the Company as on March 31, 2019.

– Transaction Figures are inclusive of GST wherever applicable.

**Terms & Conditions:**

The transactions with related parties are at arm's length price and in the ordinary course of business.

#### 42. Earnings Per Share

₹ In Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Loss after tax attributable to Equity Shareholders for Basic/Diluted EPS	<b>(186,354)</b>	(153,940)
Weighted average number of equity shares* outstanding for Basic/Diluted# EPS	<b>12,737,019,781</b>	12,737,019,781
Basic & Diluted Earnings Per Share of ₹ 10 Each (₹)	<b>(1.46)</b>	(1.21)

\* Includes shares to be issued to the holders of Foreign Currency Compulsorily Convertible Bonds (FCCB Series–B1 & B3).

# The effect of Foreign Currency Optionally Convertible Bonds (FCCB Series–B2) on the Earnings per Share is anti–dilutive and hence, the same is not considered for the purpose of calculation of dilutive Earning per Share.

#### 43. Details of loans given, investment made and Guarantees given, covered U/s 186(4) of the Companies Act, 2013

The Company has not given any Loan or Guarantee to any party for their borrowings.

Details of Investments are given in note no. 4 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**44. Deferred tax****44.1 Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate**

The Company has incurred losses during the year 2019–20 and previous year 2018–19. The Company has no tax expenses these years as per provisions of Income Tax Act, 1961 and no deferred tax assets recognised. The effective tax rate applicable for Financial Year 2019–20 is 30% at Maximum Marginal rate.

**44.2 Deferred tax liabilities / (Assets) relates to the following:**

Particulars	₹ In Lakhs	
	March 31, 2020	March 31, 2019
Property, Plant & Equipment and Investment Property	69,418	81,319
Right Out Use	(3,033)	–
Intangible Assets	(1,745)	(2,315)
Investments	(22,565)	(21,880)
Disallowance Under Section 43B of the Income Tax Act, 1961	(29,293)	(11,328)
Provision for doubtful debts	(8,096)	(6,747)
Tax Losses :		
Business Losses	–	–
Unabsorbed Depreciation	(172,976)	(152,688)
Deferred Tax (Assets)/Liability	(168,290)	(113,639)

Note: Figures in bracket indicates Deferred Tax Assets

The Company has net Deferred Tax Assets (DTA) as at March 31, 2020 which is not recognised in the Financial Statements in the absence of probable taxable profits against which the same can be utilised.

**44.3 Amount and expiry date of unused tax losses for which no deferred tax asset is recognised:**

₹ In Lakhs		
Assessment Year (AY)	Unused tax Loss	Carried Forward Till AY
2013–14	30,265	2021–22
2014–15	25,840	2022–23
2015–16	1,652	2023–24
2016–17	17,569	2024–25
2017–18	30,736	2025–26
2018–19	–	2026–27
2019–20	–	2027–28
2020–21*	32,600	2028–29
<b>Total</b>	<b>138,662</b>	

\* Subject to filing of the return of Income

The Company is incurring losses and does not expect sufficient future taxable income in the near future against which the unused tax losses can be utilised, so the Company has not recognised the DTA for the same.

**45.** In order to settle/resolve/ the direct tax litigations, a new scheme namely “The Direct Tax Vivad Se Vishwas Bill, 2020” has been announced during the Union Budget, 2020, to provide for dispute resolution in respect of pending income tax litigations. The objective of this scheme is to inter alia reduce pending income tax litigation, generate timely revenue for the Government

and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process.

As per the records of the company, it shows that the pending appeals in respect of the Company and erstwhile Chennai Network Infrastructure Limited are falling under the above scheme and hence the Board of Directors of the Company in its meeting held on March 13, 2020 approved company to file the applications under the scheme and settle/close the ongoing income tax litigations in case of the Company and erstwhile Chennai Network Infrastructure Limited at various appellate level.

Accordingly, the Company has filed applications under the Vivad se Vishwas scheme for various pending appeals in case of GTL Infrastructure Limited as well as erstwhile Chennai Network Infrastructure Limited in the prescribed Forms.

#### 46. Ind AS 115 Disclosure

- (a) The following table discloses the movement in unbilled revenue on fixed price contracts during the Year ended March 31, 2020

Particulars	₹ In Lakhs	
	March 31, 2020	March 31, 2019
Balance at the beginning	6,453	5,995
Add : Revenue recognized during the year	7,346	6,453
Less : Invoiced during the year	6,453	5,995
Less : Impairment / (reversal) during the year	–	–
Add : Translation gain/(Loss)	–	–
<b>Balance at the end</b>	<b>7,346</b>	<b>6,453</b>

- (b) The following table discloses the movement in unearned revenue balances during the year ended March 31, 2020

Particulars	₹ In Lakhs	
	March 31, 2020	March 31, 2019
Balance at the beginning	–	1,197
Add : Reclassified from assets held for sale	–	–
Less: Revenue recognized during the year	–	1,197
Add: Changes due to Business Combinations	–	–
Add: Invoiced during the year but not recognized as revenues	–	–
Add: Translation loss / (gain)	–	–
<b>Balance at the end</b>	<b>–</b>	<b>–</b>

- (c) Disaggregated Revenue information:– Refer note no. 28
- (d) Due to uncertainty of revenue recovery from BSNL, owing to its recent defaults in revenue collections, during the year, the Company has not recognised the revenue amounting to ₹ 813 Lakhs (previous year ₹ 2,269 Lakhs).

#### 47. Movement in provisions: –

##### Disclosures as required by Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets: –

Nature of provision	₹ In Lakhs		
	Provision for Compensated Absences	Asset Retirement Obligation	Total
<b>As at April 1, 2018</b>	<b>83</b>	<b>12,800</b>	<b>12,883</b>
Unwinding of finance cost	–	839	839
Addition	–	–	–
Payment	(9)	–	(9)
Reversal / Re-measurement of liability	(0.16)	(72)	(72)
<b>As at March 31, 2019</b>	<b>74</b>	<b>13,567</b>	<b>13,641</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

₹ In Lakhs

Nature of provision	Provision for Compensated Absences	Asset Retirement Obligation	Total
<b>As at April 1, 2019</b>	<b>74</b>	<b>13,567</b>	<b>13,641</b>
Unwinding of finance cost	–	611	611
Addition	–	–	–
Payment	(5)	–	(5)
Reversal / Re-measurement of liability	(16)	(2,138)	(2,154)
<b>As at March 31, 2020</b>	<b>53</b>	<b>12,040</b>	<b>12,093</b>

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

#### 49. Segment Reporting

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

Revenues from operation includes ₹ 128,238 Lakhs (previous year ₹ 140,440 Lakhs) aggregate amount of revenue from Three customers (previous year five customers), contributing each one of them to more than 10% of total revenue of the company.

These revenues are attributed to the Revenue from Telecom / Network Infrastructure Facilities & energy reimbursements.

#### 50. Fair Values

Set out below, is the carrying amounts and fair value of the Company’s financial assets and liabilities that are recognised in the financial statements

##### a) Financial Assets measured at fair value through profit or loss:

₹ In Lakhs

Particulars	March 31, 2020	March 31, 2019
Financial Assets :		
– Investment in Preference Shares	–	–
– Investment in Equity Shares	–	–
– Investment in units of Mutual Funds	6,010	1,062
<b>Total</b>	<b>6,010</b>	<b>1,062</b>

##### b) The carrying amounts of the following financial assets and financial liabilities are a reasonable approximation of their fair values.

Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately

###### i) Financial Assets:

- Trade Receivables
- Cash and Cash equivalents
- Bank balances other than cash and cash equivalents
- Loans & advances
- Security Deposits

###### ii) Financial Liabilities:

- Trade Payables
- Other current liabilities
- Borrowings
- Customer Deposits



**Fair Valuation techniques used to determine fair value**

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- i. The fair value of investments in unlisted equity and Preference shares is determined using Net Asset Value (NAV) method.
- ii. Fair Value of mutual fund are reported as per Net Asset Value
- iii. The fair values of non-current loans/Borrowings and security deposits are calculated based on Discounted Cash Flows technique (DCF) using a current lending rate relevant to the instrument
- iv. Fair value of trade receivable, cash & cash equivalents, other bank balances, trade payables, loans and other financial assets and liabilities are approximate to their carrying amounts largely due to the short-term maturities of these instruments.
- v. Fair Value of financial instruments measured at amortised cost such as Deposits, Borrowings, etc are approximate to their Carrying values.
- vi. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**51. Financial Instruments by category**

The carrying value of financial instruments by categories as at year end is as follows:

Particulars	₹ In Lakhs			
	March 31, 2020		March 31, 2019	
	Fair value Through Profit/Loss	Amortised Cost	Fair value Through Profit/ Loss	Amortised Cost
<b>Financial Assets</b>				
Cash & cash equivalents	–	21,861	–	6,642
Bank Balances	–	29,372	–	16,779
Investments	6,010	–	1,062	–
Loans	–	10,247	–	10,433
Other Financial assets	–	7,513	–	8,986
Trade Receivables	–	7,941	–	10,757
<b>Total</b>	<b>6,010</b>	<b>76,934</b>	<b>1,062</b>	<b>53,597</b>
<b>Financial Liabilities</b>				
Lease Liabilities	–	68,128	–	–
Trade payables	–	1,638	–	1,992
Other Financial Liabilities	–	670,597	–	566,826
<b>Total</b>	<b>–</b>	<b>740,363</b>	<b>–</b>	<b>568,818</b>

**52. Fair Value Hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques: –

**Level 1:–** Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**Level 2:**– Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

**Level 3:**– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides the fair value measurement hierarchy of the Company's Assets and Liabilities

Particulars	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets measured at fair value through Profit or loss (Investments) :						
– Investment in Preference shares	–	–	–	–	–	–
– Investment in Equity Shares (Unquoted) (refer note no. 4)*	–	–	–	–	–	–
– Investment in Mutual Funds	6,010	–	–	1,062	–	–
<b>Total</b>	<b>6,010</b>	<b>–</b>	<b>–</b>	<b>1,062</b>	<b>–</b>	<b>–</b>

\* Description of the inputs used in the fair value measurement:

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at March 31, 2020 and March 31, 2019 respectively:

Particulars	Level 3	As at March 31, 2020	As at March 31, 2019
<b>Financial Assets measured at fair value through profit or loss (Investments):</b>			
Investment in Equity Shares (Unquoted)	Valuation Technique	<b>Book Value</b>	Book Value
	Inputs used	<b>Financial statements</b>	Financial statements
	Sensitivity	<b>No material impact on fair valuation</b>	No material impact on fair valuation

### 53. Financial Risk Management Objective and Policies:

The Company's principal financial liabilities comprise loans and borrowings including Interest thereon, Trade payables, Capex Creditors, deposits from Customers and others Financial Liabilities. The main purpose of these financial liabilities is to finance the Company's operations, including Tower upgradation projects under implementation. The Company's principal financial assets include Investments, Deposits, loans and advances, receivables and cash and bank balances that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Audit Committee of the Board of Directors of the Company oversees the management of these risks. The focus of Risk Management is to assess risks, monitor, evaluate and deploy mitigation measures to manage these risks within risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

#### 1) Market Risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial Instrument affected by market risk includes loans and borrowings, deposits and derivative financial instruments.

As the revenues from company's tower business are dependent on the sustainability of Telecom sector, Company believes that macro-economic factors, including the growth of Indian economy, interest rates as well as political & economic environment, have a significant direct impact on company's business, results of operations & financial positions.

In October 2019, the Hon'ble Supreme Court ruled that AGR for Telecoms should include all revenue accrued to the carriers, including from non-core activities. The decision has gone against the telecom operators, another devastating blow to the telecom sector. Bharti Airtel and Vodafone-Idea have been saddled with dues of around ₹ 3,558,600 Lakhs and ₹ 5,303,900 Lakhs respectively. This clearly is likely to cause a huge strain on the operators.

a) Interest Rate Exposure profile appended in the table below:

	₹ In Lakhs	
<b>Borrowings</b>	<b>March 31, 2020</b>	March 31, 2019
Floating Rate Loans with interest thereon	<b>6,903</b>	6,284
Fixed rate Loans with interest thereon	<b>555,606</b>	497,711
<b>Total</b>	<b>562,509</b>	<b>503,995</b>

b) Foreign Currency Exposure that are not hedged by derivative instruments is as follows:

<b>Unhedged Foreign currency exposure as at March 31, 2020</b>	<b>Currency</b>	<b>Amount in Foreign Currency</b>	<b>₹ In Lakhs</b>
Borrowings and interest thereon	USD (\$)	<b>98,868,491</b>	65,659
Borrowings and interest thereon	Euro (€)	<b>8,296,456</b>	6,903
Trade Payable	USD (\$)	<b>38,233</b>	29
<b>Total</b>		<b>107,203,180</b>	<b>72,591</b>

<b>Unhedged Foreign currency exposure as at March 31, 2019</b>	<b>Currency</b>	<b>Amount in Foreign Currency</b>	<b>₹ In Lakhs</b>
Borrowings and interest thereon	USD (\$)	<b>94,454,198</b>	61,882
Borrowings and interest thereon	Euro (€)	<b>8,051,398</b>	6,284
Trade Payable	USD (\$)	<b>38,233</b>	27
<b>Total</b>		<b>102,543,829</b>	<b>68,193</b>

- Notes: (i) Above exposure does not include exposure towards Foreign Currency Compulsory Convertible bonds  
(ii) Amounts in INR are at the closing exchange rates at the year end.  
(iii) Amounts reported above are at actuals while same are measured at amortised cost in the financial statements

c) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's fixed rate long term borrowings carry step up interest rate with a predetermined yield rate which is fixed throughout the tenor of the borrowings, whereas floating rate long Term Borrowing is exposed to market rate fluctuations.

In order to manage this risk exposure, management keeps a portfolio mix of fixed & floating interest rate Debts in the total portfolio of financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**Interest rate sensitivity:**

With all other variable held constant the following table reflects the impact of borrowing cost on floating rate portion of total Debt:

₹ In Lakhs

Financial Year ended	Floating Rate Borrowings particular	Risk Exposure on Interest Rate (Increase/ Decrease in basis points)	Consequent effect on profit/ loss before tax
March 31, 2020	Foreign Currency Term Loan	100	69
March 31, 2019	Foreign Currency Term Loan	100	63

**d) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's borrowings related to its foreign currency convertible bonds & foreign currency loan.

Foreign currency risk is managed by effective foreign risk management policy based on risk perception of the management

**Foreign Risk sensitivity:**

The following table demonstrates the sensitivity in the USD & Euro to Indian Rupees with all other Variable held constant. The effect on loss before tax due to foreign exchange rate fluctuation:

₹ In Lakhs

Particulars	Foreign Currency	Risk Exposure on Forex Rate (Increase/ Decrease in basis points)	Consequent effect on profit/ loss before tax	
			March 31, 2020	March 31, 2019
Foreign Currency Convertible Bonds	USD (\$)	100	657	619
Foreign Currency Term Loan	Euro (€)	100	69	63
Trade Payable	USD (\$)	100	0.29	0.27
<b>Total</b>			<b>726</b>	<b>682</b>

**e) Commodity Price Risk**

The Company invests on upgradation of its tower assets which includes purchases of A class items like Battery banks, Diesel Generators, SMPS and other electrical items. The prices of these items fluctuate based on the prices of its raw material which in case of battery bank is Lead prices. Further, Company consumes Diesel and Electricity for running its tower sites. These rates for Diesel and Electricity fluctuate based on central and state policies. Company has entered into contracts with the Customers for recovery of Diesel and Electricity Expenses. These contracts are linked with actual Diesel and Electricity Rates thus resulting in natural hedging.

Commodity price risk is managed by effective risk management policy with help of company's Supply Chain Management Team and Central Purchasing Committee based on risk perception.

**2) Credit Risk**

Credit risk refers to the risk of default of obligations by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and investments in mutual funds.

**Trade Receivables**

The Company periodically assesses the financial reliability of its customers, taking into account the current economic trend, business challenges, historic trend of payments, bad debts & ageing of accounts receivables. The

Company provides Passive Telecom Infrastructure to Telecom Operators in India. During previous few years, all telecom companies faced increased pressure on earnings and financing fronts. The Supreme Court of India verdict for cancellation of 122 telecom licenses caused troubles for tower companies, adversely impacting their financing and fund raising plans.

The Company lost substantial number of tenancies in last few years, due to various events which were beyond management control, such as shutdown / exit of major telecom operators namely Aircel Group, Reliance Communications and Tata Tele, Business combination of Vodafone & Idea, Telenor & Airtel, AGR developments in October 2019 etc. The Company believes that it has binding long term contractual lock in arrangements with Aircel/other operators and accordingly, continues to pursue its claim of approx. ₹ 15,06,712 Lakhs arising out these developments.

In case of BSNL, due to long overdues and uncertainty in collection, the Company has taken necessary action to mitigate the funding risk by terminating certain non-paying sites.

The Company, as a part of its risk management plan, has proactively taken various measures to ensure smooth operations and contracted network time for remaining customers which would enable the Company to keep the credit risk at moderate level. The Company has also obtained rolling advances & security deposits from its customers which in turn mitigate the credit risk to that extent.

The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers.

#### **Financial instruments and Bank deposits**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which its balances and deposits are maintained. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations

### **3) Liquidity Risk**

Liquidity risk is that the company will not be able to settle or meet its obligation on time or at reasonable price. Company's principal sources of liquidity are cash flows generated from its operations including deposits and advances received from customers as a part of its MSA signed. In view of recent telecom sector developments affecting the Company, various steps have been initiated by the Company to ensure that liquidity risk remains at low level.

The Company lost substantial number of tenancies in last few years, due to various events which were beyond management control, such as shutdown / exit of major telecom operators namely Aircel Group, Reliance Communications and Tata Tele, Business combination of Vodafone & Idea, Telenor & Airtel, AGR developments in October 2019 etc. The Company believes that it has binding long term contractual lock in arrangements with Aircel/other operators and accordingly, continues to pursue its claim of approx. ₹ 15,06,712 Lakhs arising out these developments.

In case of BSNL, due to long overdues and uncertainty in collection, the Company has taken necessary action to mitigate the funding risk by terminating certain non-paying sites.

The Company, in these circumstances, has proactively taken various steps to ensure smooth operations and contracted network uptime for remaining customers, namely Vodafone Idea Ltd, Jio, Bharti Airtel, BSNL etc. These steps include realignment of debt with revised cash flows, reduction in fixed/semi variable costs including wages, electricity and diesel charges, operations and maintenance charges, ground rent etc. Towards this end, the Company is in the process of re-negotiating its arrangements with existing vendors. These steps are expected to enable the Company to remain EBITDA positive during the turnaround phase.

The proceeding initiated by one of the remaining secured lenders, allegedly claiming ₹ 64,638 Lakhs has filed proceedings before the National Company Law Tribunal (the "NCLT") under Insolvency and Bankruptcy Code 2016 which has not been admitted so far. The Company filed Special Leave Petition ("SLP") (Civil) No.5256 of

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2020, challenging the Hon'ble Bombay High Court's order wherein the Hon'ble Bombay High Court dismissed the Writ Petition No.1893 of 2019 vide its Judgment dated February 3, 2020 holding that the Company has option to press its grounds before NCLT and no interference in Writ Jurisdiction is necessary. The Hon'ble Supreme Court vide its order dated March 6, 2020 was pleased to issue notice and directed the Respondents to maintain status quo in the matter.

Further, the Telecom sector moving towards stabilization and considering the proposed realignment of debt with EARC in accordance with cash flows and various resource optimization initiatives undertaken by the Company, which can lead to stabilization and revival.

The below table summarizes the maturity profile of the company's financial liability based on contractual cash flows:

₹ In Lakhs			
As at March 31, 2020	Less than 1 year	More than 1 year	Carrying Value
Interest bearing Loans & Borrowing* (Including current maturities)	201,161	387,403	588,564
Other financial liabilities	92,475	57,686	150,161
Trade Payables	1,638	–	1,638
As at March 31, 2019	Less than 1 year	More than 1 year	Carrying Value
Interest bearing Loans & Borrowing* (Including current maturities)	99,633	426,862	526,495
Other financial liabilities	33,744	6,586	40,330
Trade Payables	1,992	–	1,992

\* Refer note no. 20.1

#### 54. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, mandatorily convertible foreign currency bonds, securities premium, all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure continuity of the operating activities of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through mixture of existing equity, internal accruals and existing long term borrowings etc.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020.

55. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days and it was further extended up to June 30, 2020, to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. The Ministry of home affairs notified telecommunication services including telecom infrastructure services among the essential services which continued to operate during lock down in the crisis situation of COVID-19. This crisis impacted ability of technicians to visit the tower sites for upkeep and maintenance of tower and Diesel filling. Against this background, and keeping in mind the health and safety of employees/customers/vendors, the Company has for the moment taking maximum precaution to protect its network and maintain uptime. Thus, though the Company is trying its best to keep the customer focus / network uptime humming, the exact impact of the same cannot be determined at this juncture.
56. Due to severe super cyclonic storm 'Amphan', and 'Nisarga' the operations of the Company in 4 circles of Kolkata, Rest of West Bengal, Odisha and Rest of Maharashtra were adversely affected respectively. The Company has around 5,977

towers in the aforementioned circles. Considering the current condition of COVID 19 and in adherence with government norms of social distancing, the management created a Virtual War Room at each circle and our centralized crisis management team was coordinating with the team of engineers, mechanics and technicians at circle level to monitor the situation closely. Considering travel restrictions in the country, the management have manoeuvred its available resources in the said region in best possible way to ensure normalization of the operations in affected areas keeping in mind health and safety of its employees. The Company's assets are adequately insured, however, we cannot assess financial loss to the Company's assets at this juncture as the assessment is to be carried out by the Independent Surveyors of the Insurance Company.

57. The management and authorities have the power to amend financial statements in accordance with section 130 and 131 of Companies Act, 2013.
58. The Company had undertaken a Corporate Debt Restructuring (CDR) exercise in 2011 as per applicable CDR guidelines and regulations. For reasons beyond the management control, post implementation of CDR package, the adverse conditions relating to the telecom sector had a material adverse impact in the achievement of the CDR projections. The Company had met its repayment obligations till June 30, 2016 out of its cash accruals and realization from current assets. However in view of the substantial developments which have had a significant impact on the financial performance of the Company, the repayment obligations were not likely to be met going forward. In view thereof, in the Joint Lender Forum (JLF) meeting held on September 20, 2016, the Rupee Lenders reviewed the account and after deliberations, invoked the scheme for SDR. Thus with secured debt reduced to a sustainable level, there was significant investor interest for buying out lenders equity stake as part of the Strategic Debt Restructuring (SDR) process.

The Company lost substantial number of tenancies in last few years, due to various events which were beyond management control, such as shutdown / exit of major telecom operators namely Aircel Group, Reliance Communications and Tata Tele, Business combination of Vodafone & Idea, Telenor & Airtel, AGR developments in October 2019 etc. These developments have resulted in erosion of Company's net worth, provision for impairment of property, plant and equipment. These developments In turn led to investor process getting jeopardised.

Table below highlights the tenancies lost by the company due to telecom sector events over the past 9–10 years

Sr no	Events of Tenancy Loss	No. of Tenancy	Period	Description
1	Cancellation of 2G licenses	4,319	February 2012	Supreme Court judgment on cancellation of 122 2G telecom licenses
2	Aircel default of ROFR commitment	15,200	May 2014	Legal and financial issues
3	Slower 3G/BWA growth	4,750	Since April 2013	Industry slowdown following the Supreme Court verdict
4	Exit during business course with various reasons	2,966		
5	Operator scale back due to auction	3,500		
6	Aircel filing of bankruptcy	23,727	February 2018	Unsustainable business due to competition
7	RCom shutdown of wireless business	1,386	August & September 2017	
8	Tata exit from wireless business	2,888	Since December 2017	
9	Merger of Vodafone and Idea	2,718	Since September 2018	Forced industry consolidation due to competition
10	Consolidation of Telenor with Airtel	1,395	During FY 2018–19	
	<b>Aggregate Tenancy Loss from 2012 to 2020</b>	<b>62,849</b>		

With the telecom sector moving towards stabilization, management believes that below events are positive developments which will lead to stabilization and revival of company.

1. Non–cancellable contract revenue from major 3 operators viz. Reliance Jio, Bharti Airtel and Vodafone Idea Ltd.
2. Constructive progress on negotiations with leading operator for bulk tenancy on unoccupied and single tenant towers
3. Expected recovery against claims from Operators

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

4. The Company is expected to have realignment of debt by EARC in accordance with cash flows can lead to stabilization and revival of the Company.

In view of the above, the Company continues to prepare the financial statements on a going concern basis.

59. In view of the accounting of the operating leases as per Ind AS 116 wef April 1, 2019, previous year's figures are not comparable with those of the current year. Further, the figures for the corresponding previous year have been regrouped/ rearranged wherever necessary, to make them comparable.

60. These financial statements have been approved for issue by the Board of Directors at their meeting held on June 24, 2020.

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As per our report of even date

For **PATHAK HD & ASSOCIATES LLP**

Chartered Accountants

Firm Regd. No. 107783W / W100593

**GOPAL CHATURVEDI**

Partner

Membership No: 090903

Mumbai

Date: June 24, 2020

For and on behalf of the Board of Directors

**MILIND NAIK**

Whole Time Director

DIN-00276884

**MANOJ TIRODKAR**

Chairman

DIN-00298407

**BHUPENDRA KINY**

Chief Financial Officer

**NITESH MHATRE**

Company Secretary

Membership No:A18487



### NOTICE FOR AGM

**NOTICE** is hereby given that the Seventeenth (17<sup>th</sup>) Annual General Meeting of the Members of GTL Infrastructure Limited will be held on Wednesday, September 30, 2020, at 02:00 p.m. (IST), through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

#### Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manoj G. Tirodkar (DIN: 00298407) who retires by rotation and, being eligible, offers himself for re-appointment, subject to receipt of requisite consents as stated in Explanatory Statement.

#### By Order of the Board of Directors,

Place: Mumbai  
Date : September 4, 2020

**Nitesh A. Mhatre**  
Company Secretary

#### Registered Office:

‘Global Vision’, 3rd Floor,  
Electronic Sadan No. II, M.I.D.C,  
T.T.C. Industrial Area, Mahape,  
Navi Mumbai 400 710

Tel: +91 22 68293500 Fax: +91 22 68293545

E-mail: [gilshares@gtlinfra.com](mailto:gilshares@gtlinfra.com); Website: [www.gtlinfra.com](http://www.gtlinfra.com)

CIN: L74210MH2004PLC144367

#### Notes:

1. In view of the situation arising due to NCOVID 19 global pandemic, the general meetings of the companies have to be conducted as per Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI). Accordingly, the forthcoming 17<sup>th</sup> Annual General Meeting (AGM) of the Company is being conducted through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in compliance with applicable provisions of the Companies Act, 2013 (Act) read with the terms of the aforementioned Circulars. Hence, Members are requested to attend and participate in the ensuing AGM through VC/OAVM.
2. A statement pursuant to Section 102(1) of the Act, relating to the item no. 2 to be transacted at the AGM is annexed hereto.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the above said Circulars of MCA and SEBI the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
7. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, pursuant to Section 112 and 113 of the Act, representatives of the members such as the

President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

8. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM (containing all the required particulars) has been uploaded on the website of the Company at [www.gtlinfra.com](http://www.gtlinfra.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
9. The procedure for participating in the AGM through VC / OAVM is explained below and is also available on the website of the Company [www.gtlinfra.com](http://www.gtlinfra.com).
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.
11. In accordance with, the General Circular No. 20/2020 dated May 5, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the SEBI, the Annual Report 2019–20, containing the Notice of AGM, Financial Statements, Directors' Report, Auditors' Report, Corporate Governance Report and Management Discussion & Analysis, is being sent by electronic mode to those Members whose e-mail addresses are registered with the RTA / Depositories. The Notice is being sent to all Members whose names would appear in the Register of Members as on Friday, September 4, 2020. Members may also note that the Notice of AGM and the other sections of the Annual Report for the Financial Year 2019–20 will be available on the Company's website [www.gtlinfra.com](http://www.gtlinfra.com), on the websites of the Stock Exchanges where the Equity Shares of the Company are listed, i.e., BSE (at [www.bseindia.com](http://www.bseindia.com)) and NSE (at [www.nseindia.com](http://www.nseindia.com)) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held in electronic form and to the Registrar and Share Transfer Agent ("RTA") at Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makawana Road, Marol, Andheri (East), Mumbai – 400 059, in case shares are held in physical form.
13. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA, Bigshare Services Private Limited for assistance in this regard.
14. All documents referred to in the above Notice inter-alia Register of Contracts and Directors' shareholding are open for inspection up to the date of AGM and considering the restrictions on the movement of people at several places in the country, due to outbreak of NCOVID 19, the request for any of above documents may please be sent to [gilshares@gtlinfra.com](mailto:gilshares@gtlinfra.com).
15. Members are requested to forward their queries on Financial Statements or other Sections of the Annual Report to the Company Secretary at least 10 days in advance. On account of the lock down imposed by the Government and keeping in mind the fact that the meeting is being held through VC / OAVM, shareholders / investors are requested to forward their queries pertaining to Annual Accounts and other Sections of Annual Report by e-mail to [gilshares@gtlinfra.com](mailto:gilshares@gtlinfra.com). These queries will be replied to respective shareholders suitably by e-mail.
16. The Company's Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Further, the Listing Fees in respect of Equity Shares of the Company have been paid to BSE and NSE for the Financial Year 2019–20. The Company's FCCBs are listed on Singapore Exchange Securities Trading Limited (SGX).
17. In keeping with the provisions of the Act and 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

RTA / Depositories and the difficulties arising from the consequences of situations like that of NCOVID 19, members who have so far not provided their email addresses to the RTA (for holdings in physical form) or to the Depositories (for holdings in electronic form) are requested to provide the same to the RTA / Depository Participant respectively, in support of this initiative and for savings on paper / printing & postage cost and for effective participation in the General Meetings of the Company.

18. The venue of the 17<sup>th</sup> AGM shall be deemed to be the Registered Office of the Company at “Global Vision”, 3<sup>rd</sup> Floor, Electronic Sadan No. II, M.I.D.C., T.T.C. Industrial Area, Mahape, Navi Mumbai–400 710. Maharashtra, India.

**19. The instructions for shareholders voting electronically (remote e–voting) are as under:**

- i. The voting period begins on Sunday, September 27, 2020 at 09:00 a.m and ends on Tuesday, September 29, 2020 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 (record date) of Thursday, September 24, 2020 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](http://www.evotingindia.com).
- iv. Click on Shareholders / Members
- 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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha–numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>*Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number as provided in the email, in the PAN field.</p>
Dividend Bank Details  OR  Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• 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).</li> </ul>

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 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 INFRASTRUCTURE 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 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”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- a) For Physical shareholders– please provide necessary details like Folio No., Name of

shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

- b) For Demat shareholders –, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.
- c) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING AND PARTICIPATING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- c) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e) Shareholders who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request along with questions mentioning their name, demat account number/folio number, email id, mobile number at [gilshares@gtlinfra](mailto:gilshares@gtlinfra).

[com](#), from September 21, 2020 (09:00 HRS) to September 25, 2020 (17:00 HRS). Members who have registered themselves as speakers will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on availability of time for the AGM.

- f) As the meeting is being held through VC / OAVM, the shareholders are encouraged to register themselves as a speakers by furnishing the required information and questions in advance for providing appropriate response.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- b) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- c) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- d) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**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](http://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](mailto: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](mailto: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. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

xxii. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

20. The Company has appointed Mr. Chetan A. Joshi, a Practicing Company Secretary (Membership No. FCS 7052, CP 7744) as the Scrutinizer for conducting the entire remote e-voting process and e-voting process at the meeting in a fair and transparent manner.
21. 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 48 (forty eight) hours 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 authorized by him in writing, who shall countersign the same.

22. The Results on resolutions shall be declared on or after the AGM of the Company, but within 48 (forty eight) hours after conclusion of the Meeting 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.
23. The results declared along with the Scrutinizer's Report will be hosted on the Company's website at [www.gtlinfra.com](http://www.gtlinfra.com) and on CDSL's website at [www.evotingindia.com](http://www.evotingindia.com) for information of the Members,

besides being communicated to BSE and NSE, where the shares of the Company are listed.

**By Order of the Board of Directors,**

Place: Mumbai

Date : September 4, 2020

**Nitesh A. Mhatre**  
Company Secretary

**Registered Office:**

'Global Vision', 3rd Floor,  
Electronic Sadan No. II, MIDC,  
T.T.C. Industrial Area, Mahape,  
Navi Mumbai 400 710  
Tel: +91 22 68293500; Fax: +91 22 68293545  
E-mail: [gilshares@gtlinfra.com](mailto:gilshares@gtlinfra.com);  
Website: [www.gtlinfra.com](http://www.gtlinfra.com)  
CIN: L74210MH2004PLC144367

## ANNEXURE TO THE NOTICE

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

#### Item No. 2

Mr. Manoj G. Tirodkar (DIN: 00298407) is Non-Executive Chairman of the Company since 2007. He retires by rotation at the ensuing Annual General Meeting.

Kindly refer to the Chairman's Letter, which is part of Annual Report (page no. 6 to 9). In the letter, Mr. Tirodkar had expressed some concerns regarding current issues being faced by the Company and was exploring the possibility of not offering himself up for re-appointment. For the reasons stated therein, he has sought the consent for his re-appointment of certain lenders who had converted their debt into equity shares pursuant to Corporate Debt Restructuring and Strategic Debt Restructuring and lenders of GTL Limited who have invoked pledge over shareholding of GTL Limited in the Company. If such consent is not received, Mr. Tirodkar will not be offering himself for re-appointment.

The Board commends passing of the resolution at item no. 2 of the accompanying Notice, subject to receipt of consents as stated above.

Except Mr. Manoj G. Tirodkar and his relatives, 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 this Resolution.

Place : Mumbai  
Date : September 4, 2020

By Order of the Board of Directors,  
**Nitesh A. Mhatre**  
Company Secretary

#### Registered Office:

'Global Vision', 3rd Floor,  
Electronic Sadan No. II, MIDC,  
T.T.C. Industrial Area, Mahape,  
Navi Mumbai 400 710  
Tel: +91 22 68293500; Fax: +91 22 68293545  
E-mail: gilshares@gtlinfra.com; Website: www.gtlinfra.com  
CIN: L74210MH2004PLC144367

# LIST OF OFFICES IN INDIA

## ANDHRA PRADESH

207/208, Navketan Bldg. 62,  
2<sup>nd</sup> Floor, Sarojini Devi Road,  
Near Clock Tower,  
Secunderabad–500 003

## ASSAM

3<sup>rd</sup> Floor, Mayur Garden Building,  
Opp. Rajeev Bhavan,  
ABC Bus Stop, Bhangagarh, GS Road,  
Guwahati–781 005

## BIHAR

Markandey Complex, 3<sup>rd</sup> Floor,  
Gayatri Mandir Road,  
Near Paneerwalla, Kankerbagh,  
Patna–800 020

## GUJRAT

101, 1<sup>st</sup> Floor, Sanmukh Complex,  
9 Kalpana Society, Behind Navrangpura  
Post Office, Navrangpura, Ahmedabad,  
Gujrat–380 009

## HARYANA

3<sup>rd</sup> Floor,  
Palm Court Building,  
20/4, Sukhrali Chowk,  
Gurgaon–122 001

## JAMMU & KASHMIR

1<sup>st</sup> Floor, Sunny Square  
Commercial Complex,  
Near J & K Bank Ltd, Gangyal,  
Jammu–180 010

## JHARKHAND

3<sup>rd</sup> Floor, Raymond Building,  
Kutchery Road,  
Beside Gopal Complex,  
Ranchi, Jharkhand–834 001

## KARNATAKA

No. 3, Connaught Road,  
Off Queens Road,  
Tasker Town,  
Bangalore–560 052

## KERALA

66/4514, Prabhu Tower, 2<sup>nd</sup> Floor,  
Opp. Chennai Silks, Veeekshanam Road,  
M.G.Road, North End, Ernakulam,  
Kerala–682 035

## MADHYA PRADESH

C–204, 2<sup>nd</sup> Floor, Block–C,  
Kartar Arcade,  
Near Capital Petrol Pump,  
Raisen Road, Bhopal–462 023

## MAHARASHTRA

Global Vision, 3<sup>rd</sup> Floor,  
Electronic Sadan No 2, MIDC,  
TTC Industrial Area,  
Mahape, Navi Mumbai–400 710

## MAHARASHTRA

412, Janmabhoomi Chambers,  
29 Walchand Hirachand Marg,  
Near Arya Honda Showroom,  
Ballard Estate, Mumbai–400 001

## MAHARASHTRA

Survey No. 61, 2/7, Plot No. 01,  
Off. Salunkhe Vihar Road,  
Opp. Oxford Village,  
Wanowarie, Pune–411 040

## ORISSA

Ground Floor, A–102,  
Nayapalli,  
Janaki Bhawan,  
Bhubaneswar–751 012

## PUNJAB

E–9, Phase VII, SAS Nagar,  
Industrial Area, Mohali,  
Punjab–160 055

## RAJASTHAN

312 TO 319, 3<sup>rd</sup> Floor,  
Geetanjali Tower,  
Civil Lines, Bombay Walon Ka Bagh,  
Ajmer Road, Jaipur–302 006

## TAMILNADU

City Centre, 3<sup>rd</sup> Floor, No. 187/188,  
Purasawalkam High Road,  
Purasawalkam,  
Chennai–600 010

## UP (East)

Dayal Chamber,  
27/6 K.A., Ground Floor,  
Ram Mohan Rai Marg, Hazratganj,  
Lucknow–226 001

## UP (West)

3<sup>rd</sup> Floor, Park Plaza, Unit No 185/1,  
Mangal Pandey Nagar,  
University Road, Meerut,  
Uttar Pradesh–250 004

## WEST BENGAL

Shailla Tower, 7<sup>th</sup> Floor,  
Unit 701, Plot J1/16,  
Block EP&GP, Salt Lake, Sec V,  
Kolkata–700 091



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“

**The measure of a country's greatness  
should be based on how well it cares  
for its most vulnerable populations.**

”

—

Mahatma Gandhi



**GTL Infrastructure Limited**

“Global Vision”, 3<sup>rd</sup> Floor, Electronic Sadan-II, MIDC, TTC Industrial Area,  
Mahape, Navi Mumbai - 400 710, Maharashtra, India.

Tel: +91 22 6829 3500 | Fax: +91 22 6829 3545

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