



REF: GTL/CS-SE/2016-17/018

October 3, 2016

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

Dear Sir/s,

**Sub: Increase in share price of the Company.**

This has reference to NSE's letter bearing Ref. No. NSE/CM/Surveillance/6478 dated September 30, 2016 and BSE's letter bearing Ref. No. L/SURV/ONL/PV/ZS/2016-17/121 dated October 3, 2016.

As part of its corporate governance practices, the Company firmly believes in keeping its stakeholders and the general public abreast of the various developments in the Company, which may be price sensitive or otherwise.

In keeping with this policy, the Company has from time to time, disseminated through the stock exchanges, various disclosures right from the time of its proposal to restructure of its debts in FY 2011-12. The latest such update was issued vide our letter bearing Ref. No. GTL/CS-SE/2015-16/031 dated February 9, 2016 to the stock exchanges, relating to the submission of a settlement proposal by the Company with all sets of lenders viz. CDR, NCD and ECB lenders.

As regards the current run up in the price of the shares of the Company, please note that no specific event has occurred in relation to the Company *per se* which would require a disclosure in terms of the provisions of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

That having been said, we would like to draw your attention to certain recent and positive developments in relation to the Company's associate companies, namely GTL Infrastructure Limited ("**GTL Infra**") and Chennai Network Infrastructure Limited ("**CNIL**").

GTL Infra issued an update to its stakeholders and the general public (through a stock exchange disclosure and which is available publicly) on a request made to its lenders for considering Strategic Debt Restructuring ("**SDR**") from its present status of Corporate Debt Restructuring (CDR). In terms of the SDR process, which has been laid down by the Reserve Bank of India, the lenders of GTL Infra

and CNIL, will be looking to convert a part of their outstanding debt into equity and seek to induct a new investor within 18 months from the reference date.

This process, which also entails the pairing down of the current debt of GTL Infra and CNIL to sustainable levels, is a significant and positive development which will help unlock value for the shareholders of GTL Infra and CNIL. This development appears to have had a positive impact on the price of the shares of GTL Infra, as can be seen from the recent movement thereof.

Post the aforesaid update made by GTL Infra, we have also observed sudden surges in the trading volumes and prices of the Company's equity shares on BSE and NSE. We accordingly believe the abovementioned disclosure by GTL Infra has given rise to the current price run.

While we no doubt believe that the positive developments in GTL Infra and CNIL will help unlock value for their respective shareholders (including the Company, the lenders and, in the case of GTL Infra, the public shareholders), we believe that it is important to remind the shareholders and the general public of certain relevant information in the context of our Company which assumes significance:

1. As per the Company's aforesaid recent update dated February 9, 2016, the Company had informed the investor community of the fact that it had submitted a negotiated settlement proposal with all sets of its lenders viz. CDR, NCD and ECB lenders. The fact that this proposal was submitted was also disclosed to the shareholders of the Company in the previous Annual Reports.
2. We would like to reiterate that the proposal for the negotiated settlement or "One Time Settlement" ("OTS") envisages a sale or disposal of substantially the whole of its undertakings *inter- alia* core / non-core assets, investments, business division(s) of the Company. Appropriate resolutions through Postal Ballot were approved by shareholders on September 25, 2014 and September 30, 2015 have been obtained in this regard. One important component of the OTS proposal is the monetization of investments held by the Company in GTL Infra and CNIL.
3. While the recent announcement by GTL Infra is positive for all its stakeholders, it may be noted that in so far as the Company is concerned, all proceeds from such sale / disposal as well as proceeds from the sale of other assets / investments / divisions would be used for discharging the Company's liabilities towards the OTS proposal with its lenders. Hence no surplus cash may remain in the Company for its shareholders.
4. Upon completion of the OTS proposal, the Company (which is essentially a services company) would be debt free and only then can it embarks on any possible rebuilding exercise. Such rebuilding exercise would have a long



gestation period before which any significant value is unlocked for the shareholders of the Company.

We believe that it is our fiduciary duty to our shareholders to remind them of the above information regarding the OTS proposal of the Company and its outcome. This is relevant as we believe that there may be speculative forces at play behind the current run up (as observed from certain comments / messages being circulated / web-cast on various web portals) which have erred in considering the positive developments in GTL Infra and CNIL in isolation of the disclosures made in the past by the Company (including stock exchange disclosures, shareholder notices and Annual Reports) in relation to the OTS proposal.

In light of the above information, the Company and its management caution investors and the general public to exercise prudence in their dealing with the equity shares of the Company.

Thanking you,

Yours truly,  
For GTL Limited

**Vidyadhar A. Apte**  
Company Secretary

**Milind Bapat**  
Chief Financial Officer

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