



REF: GTL/CS-SE/2016-17/024

November 17, 2016

| | |
|---|---|
| The Dy. General Manager Corporate Relationship Dept. BSE Limited Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Fort, Mumbai 400 001. | The Manager - Listing National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. |
| BSE Code: 500160 NSE Symbol: GTL ISIN: INE043A01012 | |

Dear Sir,

Re: Outcome of the Board Meeting

This is in continuation to our letter bearing Ref. No. GTL/CS-SE/2016-17/023 dated November 10, 2016 and pursuant to Regulation 33 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), we have to inform that the Board of Directors of the Company, in its meeting held today has approved the Unaudited Financial Results on standalone basis for the quarter ended September 30, 2016 (Q2). A copy of the said results, notes thereto and Limited Review Report of the Auditors is enclosed for your records.

The meeting of the Board of Directors of the Company commenced at 11:00 Hours and concluded at 14:20 Hours.

We request you to take the above on your records.

Thanking you,

Yours truly,
For GTL Limited


Vidyadhar A. Apte
Company Secretary


Milind Bapat
Chief Financial Officer

Encl. as above

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

| Sr.No. | Particulars | Quarter ended September 30, | Quarter ended June 30, | Quarter ended September 30, | Period ended September 30, | Period ended September 30, |
|--------------|--|--------------------------------|------------------------|--------------------------------|-------------------------------|-------------------------------|
| | | 2016 | 2016 | 2015 | 2016 | 2015 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| 1 | Income from Operations | | | | | |
| | Net Sales / Income from Operations (Net of Service Tax) | 30,216.40 | 30,417.68 | 31,196.00 | 60,634.08 | 63,147.23 |
| | Other Operating Income | | | | | |
| | Total Income from Operations (Net) | 30,216.40 | 30,417.68 | 31,196.00 | 60,634.08 | 63,147.23 |
| 2 | Expenses | | | | | |
| a) | Cost of Material Consumed and Services | 21,957.99 | 22,263.74 | 23,760.78 | 44,221.73 | 48,916.58 |
| b) | Purchase of Stock - in - trade | 4.01 | 16.84 | 1,108.57 | 20.85 | 2,735.59 |
| c) | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 3.07 | (3.07) | (586.22) | NIL | (474.93) |
| d) | Employee benefits expenses | 3,285.74 | 3,860.83 | 3,284.00 | 7,146.57 | 6,834.06 |
| e) | Depreciation and amortisation expenses | 1,317.17 | 2,249.19 | 2,488.59 | 3,566.36 | 5,018.67 |
| f) | Other Expenses | 1,406.66 | 11,343.41 | 8,396.44 | 12,750.07 | 15,603.98 |
| g) | Net (Gain)/Loss on Foreign Currency Transactions | (1,052.96) | 1,103.48 | (511.81) | 50.52 | (990.14) |
| | Total Expenses | 26,921.68 | 40,834.42 | 37,940.35 | 67,756.10 | 77,643.81 |
| 3 | Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2) | 3,294.72 | (10,416.74) | (6,744.35) | (7,122.02) | (14,496.58) |
| 4 | Other income | 110.16 | 103.66 | 162.80 | 213.82 | 1,022.51 |
| 5 | Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4) | 3,404.88 | (10,313.08) | (6,581.55) | (6,908.20) | (13,474.07) |
| 6 | Finance costs | 15,209.03 | 12,217.71 | 14,674.85 | 27,426.74 | 27,960.94 |
| 7 | Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6) | (11,804.15) | (22,530.79) | (21,256.40) | (34,334.94) | (41,435.01) |
| 8 | Exceptional items | NIL | NIL | (69,999.04) | NIL | (74,977.24) |
| 9 | Profit / (Loss) from ordinary activities before tax (7 ± 8) | (11,804.15) | (22,530.79) | (91,255.44) | (34,334.94) | (116,412.25) |
| 10 | Tax expense | NIL | NIL | NIL | NIL | NIL |
| 11 | Net Profit / (Loss) from ordinary activities after tax (9 ± 10) | (11,804.15) | (22,530.79) | (91,255.44) | (34,334.94) | (116,412.25) |
| 12 | Extraordinary items | NIL | NIL | NIL | NIL | NIL |
| 13 | Net Profit / (Loss) for the period (11 ± 12) | (11,804.15) | (22,530.79) | (91,255.44) | (34,334.94) | (116,412.25) |
| 14 | Other Comprehensive income | (31.24) | (34.20) | (17.86) | (65.44) | 33.19 |
| 15 | Total Comprehensive income for the period | (11,835.39) | (22,564.99) | (91,273.30) | (34,400.38) | (116,379.06) |
| 16 | Paid-up equity share capital (Equity Shares of Face Value of ₹ 10/- each) | 15,729.68 | 15,729.68 | 15,729.68 | 15,729.68 | 15,729.68 |
| 17 | Reserves Excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year | NA | NA | NA | NA | NA |
| 18i | Earnings Per Shares (Before comprehensive income) (of ₹ 10 /- each) (not annualised): | | | | | |
| a) | Basic | (7.50) | (14.32) | (58.01) | (21.83) | (74.01) |
| b) | Diluted | (7.50) | (14.32) | (58.01) | (21.83) | (74.01) |
| 18 ii | Earnings Per Shares (After comprehensive income) (of ₹ 10 /- each) (not annualised): | | | | | |
| a) | Basic | (7.52) | (14.35) | (58.03) | (21.87) | (73.99) |
| b) | Diluted | (7.52) | (14.35) | (58.03) | (21.87) | (73.99) |
| 19 | Capital Redemption Reserve and Debenture Redemption Reserve | 19,979.22 | 19,979.22 | 19,979.22 | 19,979.22 | 19,979.22 |
| 20 | Net Worth | (302,850.93) | (291,015.54) | (121,195.08) | (302,850.93) | (121,195.08) |
| 21 | a. Debt Service Coverage Ratio | NA | NA | NA | * | * |
| | b. Interest Service Coverage Ratio | NA | NA | NA | * | * |
| | c. Debt - Equity Ratio | NA | NA | NA | * | * |

* - DSCR, ISCR and Debt-Equity ratios are not positive hence not furnished
See accompanying notes to the Financial Results

For GTL Limited

Manoj Tirodkar

Chairman & Managing Director

Place : Mumbai

Date : November 17, 2016

Notes: -

1. The above unaudited standalone financial results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in the meeting held on November 17, 2016
2. The Statutory Auditors of the Company have conducted a limited review of the above standalone financial results.
3. The Company adopted Indian Accounting Standards (Ind-AS) and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind-AS 34." Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013. These financial results have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 prescribed under Section 133 of the Companies Act 2013. The date of transition to Ind-AS is April 01, 2015. The figures for the quarter and Half year ended September 30, 2015 are also Ind-AS compliant, which are not subjected to Limited Review or audit. However, the management has exercised the necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs. The Company will provide a reconciliation of its equity for the previous year ended March 31, 2016 at the time of submitting the audited financial statements for the year ended March 31, 2017. These results have been prepared in accordance with regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
4. Reconciliation of Financial results to those reported under Indian Generally Accepted Accounting Principles (IGAAP) is as given below:

| Sr. No. | Nature of adjustments | ₹ in Lacs | |
|---------|--|-----------------------------------|-------------------------------------|
| | | Quarter Ending September 30, 2015 | Half year Ending September 30, 2015 |
| A | Net Loss under IGAAP | (89,854.81) | (114,815.42) |
| B | Effects of transition to Ind-AS on Statement of Profit and Loss: | | |
| i | Finance cost on Optionally Convertible Preference Shares | (284.09) | (557.82) |
| ii | Finance cost recognized on effective interest rate method | (1,134.40) | (926.24) |
| iii | Fair value of investment in Mutual Funds | NIL | (79.58) |
| iv | Actuarial loss on employee defined benefit plan recognized in Other Comprehensive Income | 17.86 | (33.19) |
| | Total adjustments | (1,400.63) | (1,596.83) |
| C | Net profit for the period under Ind-AS | (91,255.44) | (116,412.25) |
| D | Total other comprehensive income (net of tax) | (17.86) | 33.19 |
| E | Total comprehensive income | (91,273.30) | (116,379.06) |

5. Statement of assets and liabilities (Standalone)

₹ in Lacs

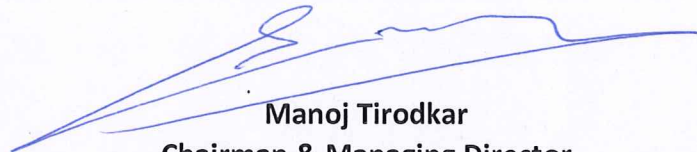
| | Particulars | As at September 30, 2016 (Unaudited) |
|-----------|---|---|
| I | ASSETS | |
| | Non-current assets | |
| | (a) Property, plant and equipment | 10,576.62 |
| | (b) Capital work-in-progress | NIL |
| | (c) Investment Property | 320.04 |
| | (d) Other Intangible assets | 77.25 |
| | (e) Intangible assets under development | NIL |
| | (f) Financial Assets | NIL |
| | i. Investments | 223,066.81 |
| | ii. Loans and advances | 56,123.77 |
| | iii. Others | NIL |
| | (g) Deferred tax assets | NIL |
| | (h) Other non-current assets | 6.82 |
| | Total Non-Current Assets (A) | 290,171.31 |
| | Current Assets | |
| | (a) Inventories | NIL |
| | (b) Financial Assets | |
| | i. Investments | NIL |
| | ii. Trade receivables | 12,491.76 |
| | iii. Cash and cash equivalents | 10,245.19 |
| | iv. Bank balances other than (iii) above | 1,401.12 |
| | v. Loans and advances | 48,896.50 |
| | vi. Others | 5,631.09 |
| | (c) Current Tax Assets (Net) | 2,493.93 |
| | (d) Other current assets | 3,260.48 |
| | Total Current Assets (B) | 84,420.07 |
| | Total Assets (A+B) | 374,591.38 |
| II | EQUITY AND LIABILITIES | |
| | (a) Share Capital | 15,729.68 |
| | (b) Other Equity | (318,580.61) |
| | Total Equity (C) | (302,850.93) |
| | Non-current liabilities | |
| | (a) Financial Liabilities | |
| | i. Borrowings | 89,911.79 |
| | ii. Other financial liabilities | 12,058.58 |
| | (b) Provisions | 129.51 |
| | (c) Deferred tax liabilities (Net) | NIL |
| | (d) Other non-current liabilities | NIL |
| | Total non-current liabilities (D) | 102,099.88 |
| | Current liabilities | |
| | (a) Financial Liabilities | |
| | i. Borrowings | 383,296.89 |
| | ii. Trade Payable | 17,699.33 |
| | iii. Other financial liabilities | 169,858.78 |
| | (b) Other current liabilities | 4,439.13 |
| | (c) Provisions | 48.30 |
| | (d) Current Tax Liabilities (Net) | NIL |
| | Total current liabilities (E) | 575,342.43 |
| | Total Liabilities F= (D+E) | 677,442.31 |
| | Total equity and liabilities (C+F) | 374,591.38 |

6. The Company has strategic and long term equity investments in associates, GTL Infrastructure Limited (GIL) of ₹59,154.77 Lacs and Chennai Network Infrastructure Limited (CNIL) of ₹163,748.04 Lacs, as on September 30, 2016 and the same are accounted at cost as per Ind-AS 27 - "Separate Financial Statements". Although both the associates have incurred cash losses and their net worth have substantially eroded, as per the management, the Company's equity interest in these Associates based on their business plans as on September 30, 2016 support the carrying value of those investments and recoverable amount of these investments is higher than their carrying values. Further Corporate Debt Restructuring lenders of both the associates at the meeting of the Joint Lenders Forum have unanimously agreed for the Strategic Debt Restructuring scheme in which part debt will be converted into equity. This will result in improvement in net worth of both the associates.
7. The Company is engaged only in business of providing "Network Services" and as such there are no separate reportable segments.
8. In last few years, the Company has incurred cash losses, resulting in erosion of its entire net worth. The Company's current liabilities are higher than its current assets.

The Company has made a proposal for a negotiated settlement of debts which has been agreed in principle by all the lenders. The management is of the view that upon the acceptance and implementation of the Company's negotiated settlement proposal, the Company would be in a position to meet its liabilities and continue its operations. In view of the above, the Company continues to prepare above results on Going Concern basis.

9. Debenture Redemption Reserve is not created in view of non-availability of profit.
10. The figures for the previous quarter have been regrouped / rearranged / recast wherever considered necessary.

For GTL Limited ,



Manoj Tirodkar
Chairman & Managing Director

Date: November 17,2016

Place: Mumbai

GODBOLE BHAVE & CO
Chartered Accountants
501, Kinara CHS Ltd,
Mhatre Wadi Road, Dahisar (W),
Mumbai - 400 068

YEOLEKAR & ASSOCIATES
Chartered Accountants
11-12, Laxmi Niwas,
Subhash Rd, Vile Parle (E),
Mumbai - 400 057

Independent Auditors' Review Report

To ,

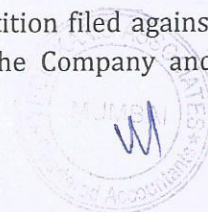
The Board of Directors of GTL Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of GTL LIMITED ("the Company") for the quarter and half year ended 30th September 2016 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. Attention is drawn to the fact that the figures for the corresponding quarter and half year ended 30th September 2015, including the reconciliation of loss under Ind AS of the corresponding quarter and half year ended 30th September 2015 with loss reported under previous GAAP, as reported in these financial results have been approved by Company's Board of Directors but have not been subjected to review.
2. This statement is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Emphasis of Matter**

We draw attention to the following notes to the accompanying unaudited financial results :

- a) Note No.6 in the unaudited standalone financial results regarding accounting of investments at cost in respect of Company's investment in its associates though these associates have incurred cash losses and their networth has been substantially eroded. However the Company's management is of the opinion that the Company's equity interest in these associates based on their business plans as on 30 September, 2016 support the carrying value of these investments and recoverable amount of investments in these associates is higher than their carrying values.
- b) Note No. 8 to the unaudited standalone financial results which inter-alia describes/states that the Company has incurred cash losses, its Net worth has been entirely eroded and the Company's current liabilities have exceeded its current assets as at September 30, 2016.

Moreover the uncertainty related to the outcome of the winding up petition filed against the Company by the holders of Non Convertible Debentures issued by the Company and the



winding up proceedings initiated against the Company by the Optionally Convertible Loan (OCL) holders of an associate wherein the Company had given the put option still prevails.

The above conditions indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements/results of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

5. As at September 30, 2016, in respect of the outstanding Term Loan and Cash Credit balances aggregating Rs. 99,235.10 Lakhs and interest accrued and provided thereon of Rs. 22,173.75 Lakhs due to Canara Bank, Catholic Syrian Bank, Dena Bank, Punjab National Bank, State Bank of Hyderabad, Standard Chartered Bank and SIDBI, the Balance Confirmations have not been received. Further, the Balance Confirmations in respect of current account balances with Canara Bank, Dena Bank, Punjab National Bank and State Bank of Hyderabad aggregating to Rs. 10.20 Lakhs and Fixed Deposit balances with Canara Bank of Rs. 124.03 Lakhs have not been received.
The balances stated above are as per IGAAP.
6. Based on our review conducted as above, **read with our comments in the preceding paragraphs 4 and 5 above**, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

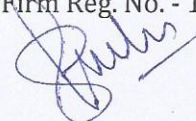
For **Godbole Bhawe & Co.**
Chartered Accountants
Firm Reg. No. - 114445W



M. V. Bhawe
Partner
Membership No. - 038812



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



S. S. Yeolekar
Partner
Membership No. -036398



Place: Mumbai
Date: 17.11.2016