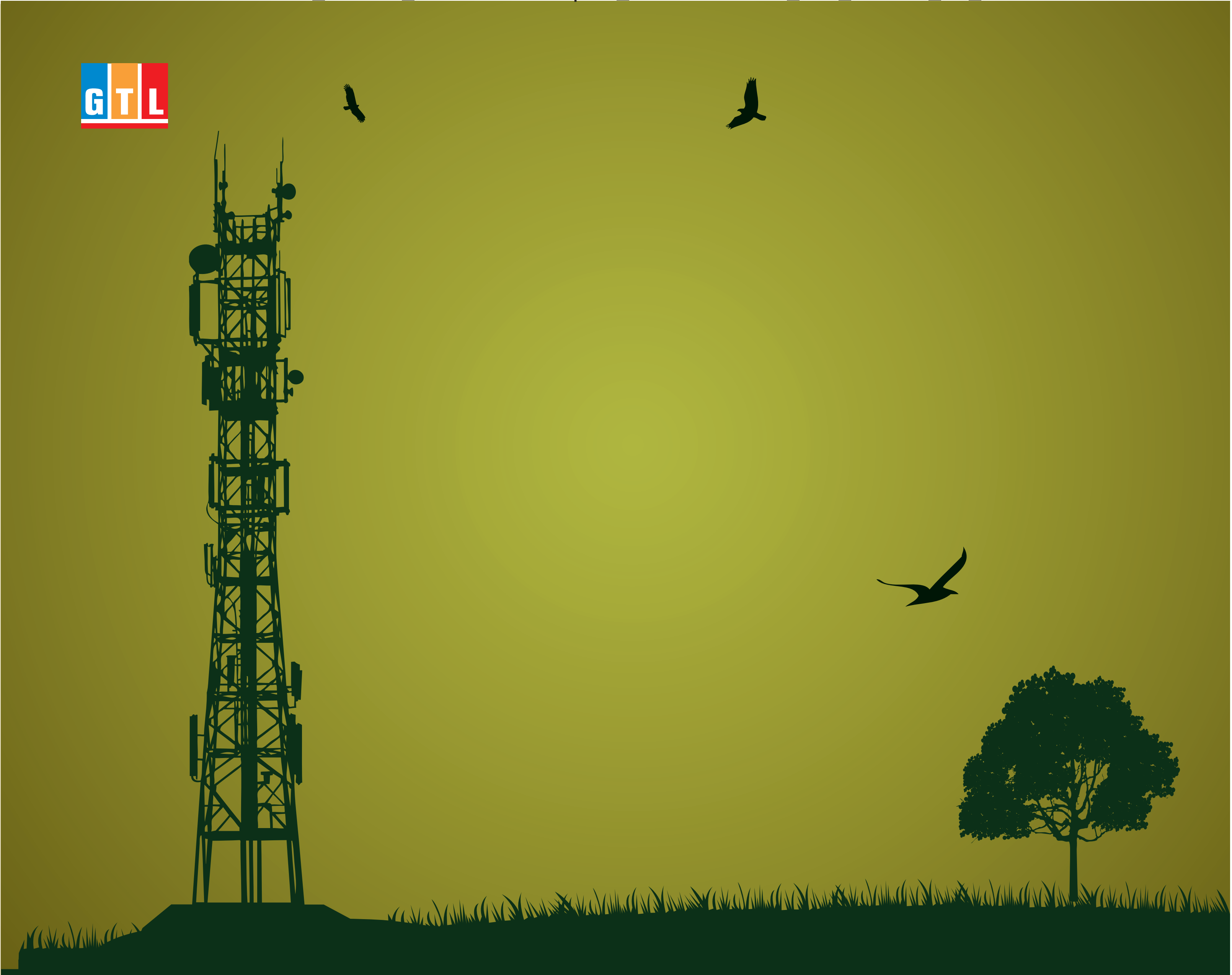
GLOBAL Group Enterprise

With growth comes responsibility

GTL

22nd Annual Report 2009 - 10



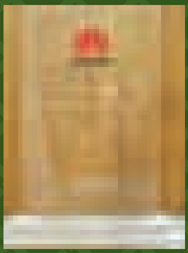
Phenomenal growth has been a consistent feature of our balance sheet, over the last few years. But bottom lines weren't the only things we had been paying attention to. Our businesses have been transforming the lives of not just our stakeholders and employees, but have been actively making a difference to the life of India, especially rural India. We've been driving education, employment and progress in those corners of India that have been traditionally overlooked. And above all, there's one cause that's been the closest to our hearts - the environment. We have invested more than Rs. 2400 Crores in engineering green energy solutions to reduce energy consumption and are working towards a goal of reaching zero carbon emission status by 2015. So the next time you see our towers, don't just see possibilities; see responsibility.

Particulars	GTL Consolidated (Audited)				GTL Standalone (Audited)	
	FY 2009-10 Rs. Crs.	FY 2008-09 Rs. Crs.	FY 2009-10 US$ Mn	FY 2008-09 US$ Mn	FY 2009-10 Rs. Crs.	FY 2008-09 Rs. Crs.
Total Income	2,239.26	1,948.01	479.29	403.23	1,553.43	1,452.68
Net Sales / Services	2,236.94	1,945.09	478.80	402.63	1,551.13	1,450.90
PBDIT	341.66	296.64	73.13	61.40	267.69	243.72
Depreciation	59.43	52.84	12.72	10.94	48.01	43.41
Profit Before Tax (PBT)	245.81	169.54	52.61	35.09	196.66	131.12
Profit After Tax (PAT)	205.19	145.56	43.92	30.13	157.33	109.77
Extraordinary & Prior Period Items	0.89	(18.34)	0.19	(3.80)	1.03	(18.34)
PAT After Extraordinary & Prior Period Items	206.08	127.22	44.11	26.33	158.36	91.44
Dividend (Per Share)*	3.00	3.00	0.06	0.06	3.00	3.00
EPS (Amount)				-		
- Basic	21.60	14.86	0.46	0.31	16.60	10.72
- Diluted	21.30	14.24	0.46	0.29	16.37	10.28
Equity Share Capital	96.72	94.72	21.49	18.55	96.72	94.72
Reserves and Surplus	1,316.30	1,177.68	292.45	230.69	1,045.52	891.29
Net Worth	1,413.02	1,272.40	313.93	249.25	1,142.25	986.01
Gross Fixed Assets	706.78	662.76	157.03	129.83	619.19	555.13
Net Fixed Assets	439.62	452.93	97.67	88.72	387.31	370.44
Total Assets	3,786.98	2,284.27	841.36	447.46	3,515.75	1,997.26

* Dividend for FY 2009-10 subject to the approval of Shareholders

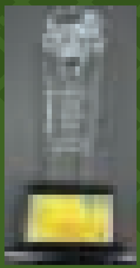
Conversion Rate for 1 US$ into INR	FY 2009-10	FY 2008-09
Profit and Loss Account	46.72	48.31
Balance Sheet Items	45.01	51.05

Note: GTL generates 67% of its revenue from India. US Dollar figures are given purely for reference purpose and may seem distorted due to substantial and abnormal fluctuations in the INR-US$ exchange rate. Therefore, all the ratios have been calculated for Rupee values.

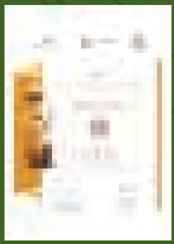


'Global Engineering Partner' award from Huawei Technologies at their global engineering partners convention held at Shenzhen, China. The award is bestowed upon companies that consistently deliver high performance and quality Network Services

'No 1 Telecom Turnkey Company of the Year' for FY 2008-09 and FY 2007-08 for its leadership in offering Network Services by Voice & Data



Indian Merchant Chambers (IMC) Ramkrishna Bajaj National Quality Award 'Outstanding Achievement Trophy' in the services category from RBNQA Trust. GTL was chosen for its integrated model to deliver services in each segment of the Network Services value chain



'Certificate of Strong Commitment' from CII ITC Center of Excellence for Sustainable Development, for its initiatives on sustainability and energy management

'Greentech Environment Excellence Award 2009' from Greentech Foundation for its outstanding achievement in the Environment Management

'Amity HR Excellence' award for its initiatives in the HR management

GTL features for the third year in a row in Standard & Poor's ESG India Index

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MANAGEMENT DISCUSSION & ANALYSIS

ACCOUNTS SECTION

BOARD OF DIRECTORS

Tirodkar, Manoj G.	Chairman & Managing Director
Patil, Sadanand D.	Senior Director
Prof. Sahasrabudhe, S.C.	Director
Poddar, Dipak Kumar	Director
Ayyar, T.N.V.	Director
Sethi, Vinod	Director
Prof. Navathe, Shamkant B.	Director
Naik, Charudatta K.	Whole-time Director
Vij, Vijay	Director

Company Secretary

Apte, Vidyadhar A.

AUDITORS

GTL STANDALONE & CONSOLIDATED

India	M/s Godbole Bhave & Co. and M/s Yeolekar & Associates

SUBSIDIARIES

Mauritius	Horwath Mauritius
Bermuda	Horwath Mauritius
Australia	Bradfield Partners
Australia	BCS Assurance Pty Limited
Bangladesh	A. Qasem & Co.
Canada	Israeloff, Trattner & Co. P.C.
China	Daxin Certified Public Accounting
India	Bansi S. Mehta & Co.
Indonesia	Bayudi Ratu & Wekan
Ireland	Hopkins O' Halloran Group
Kenya	Sunil Davda & Co.
Malaysia	Crowe Horwath
Nigeria	Iyantan & Partners
Philippines	Villaruz, Villruz & Co. CPA's
Saudi Arabia	Ernst & Young
Singapore	Rohan Mah & Partners
Singapore	David Yeung & Co.
Sri Lanka	Rodrigo Associates
Taiwan	First Horwath & Company, CPAs
Tanzania	Baker Tilly DGP & Co.
Thailand	Adisorn & Associates Ltd.
UAE	Horwath Mauritius
UK	Kajaine Limited
USA	Israeloff, Trattner & Co. P.C.
Vietnam	Mazars Vietnam Co. Ltd.

BANKS / INSTITUTIONS

INDIA

Andhra Bank
Axis Bank
Bank of Baroda
Bank of India
Canara Bank
Dena Bank
Deutsche Bank
Development Credit Bank
HDFC Bank
ICICI Bank
IDBI Bank
Indian Bank
Indian Overseas Bank
IndusInd Bank
SIDBI
Standard Chartered Bank
State Bank of Hyderabad
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank

INTERNATIONAL

Axis Bank
Bank Mandiri
Bank Niaga
Bank of Ayudhya
Bank of Baroda
Bank of India
Barclays
China Construction Bank
CIMB
CitiBank
Deutsche Bank
EFG Bank
First Bank
HSBC
ICICI Bank
Indian Bank
Julius Baer
Kasikorn Bank
Kenya Commercial Bank
Krungsri Ayudhya Bank
Malayan Bank
NatWest Bank
Oversea Chinese Banking Corporation
Prime Bank
Pt. Bank Central Asia
Royal Bank of Scotland
Sampath Bank
Saudi British Bank
Standard Chartered Bank
State Bank of India
Swadesi Bank
TD Canada Trust Bank
Wachovia Bank
Westpac Bank
Zenith Bank

Registered Office

GTL Limited
'Global Vision', Electronic Sadan No.II,
MIDC, TTC Industrial Area,
Mahape, Navi Mumbai 400710.

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ir@gtllimited.com

CHAIRMAN'S MESSAGE

Financial Year 2009-10 started on a cautious note, in the backdrop of the US financial crisis, which had a cascading effect on the global economy. The intense competitive environment in the Indian Telecom Industry benefited the end user in terms of lower tariffs. However, Indian telecom operators slowed down their network roll-out plans. In matured markets across Europe and USA the demand for network optimisation continued to remain high while growth in subscribers in developing markets like Africa presented the opportunity for network roll-out.

Business Overview & Outlook

Our performance on a consolidated basis can be judged from the financial highlights of the year, which are as follows:

On a consolidated basis,

- Revenue increased by 15% to Rs. 2,236.94 Crs. (US$ 478.80 Mn)
- Operating profit increased by 19% to Rs. 340.36 Crs. (US$ 72.85 Mn)
- Profit after tax increased by 50% to Rs. 206.08 Crs. (US$ 44.11 Mn)

The competitive nature of the Indian market did have an impact on our revenue growth in India. Our revenue from India grew only by 7%, however, the revenue growth from overseas market was 37%. We are now present in 46 countries and have worked with more than 70 cellular operators. Our number of employees in overseas markets grew from 1,228 in FY 2008-09 to 1,554 in FY 2009-10. On Consolidated basis our net profit margin increased from 7% to 9%.

Introduction of Energy Management Services

We continue to remain focused on innovations and operational excellence to adapt quickly to changing business requirements of the telecom operators and OEMs. As part of our sustainability initiatives we are focused on reducing energy consumption and carbon footprint of the telecom industry. As a result of this, we are focused on Energy Management Solutions that are aimed at providing clean and green energy on telecom sites.

According to CLSA research report, India currently has approximately 337,000 telecom towers and is expected to have 463,000 telecom towers in next three years. Given the power outage situation in India, each tower currently consumes on an average almost 4,000 litres of diesel every year. This means the telecom industry is expected to consume 1.8 Bn litres of diesel every year. Currently the energy expenses form close to 20% of operators' network operating expenditure and are expected to further go up with increased network expansion in rural areas. Our aim is to reduce this expenditure by 15% to 20% through our Energy Management Services and alternative sources of energy like wind and solar over the next three to five years. This is expected to result into a recurring revenue model for the Company with long term contracts with the operators.

We have signed an Energy Management contract with Aircel, for a period of 6 years. We will be responsible for reducing the overall energy expenditures of Aircel through the use of innovative methods and alternate sources of energy. The contract will cover 17,500 Aircel sites and the incremental site rollouts of Aircel through GTL Infrastructure Limited. We believe this represents a significant recurring revenue opportunity of Rs. 500 Crs. in the first eighteen months and can reach upto Rs. 1,000 Crs. per annum at the end of three years. We are in talks with other cellular operators on similar basis.

To complement this effort we propose to invest upto Rs. 2,500 Crs. over the next three years in energy efficient equipment and automation of the processes. To part finance the same, we have raised Rs. 1,400 Crs. through unsecured Non Convertible Debentures. The balance will be funded through internal accruals.

Investment in GTL Infrastructure Limited (GTL Infra)

GTL Infra's Acquisition of Aircel Tower Portfolio

We own 31.3% stake in GTL Infra which has been continuously looking for inorganic growth opportunities both in the domestic and international markets. During the year, it entered into an agreement to purchase Aircel's tower asset business. The highlights of the transaction are as under:

- Purchase of 17,500 telecom towers;
- 21,000 active tenants on these towers;
- Enterprise Value of Rs. 8,400 Crs.;
- Right of first refusal for additional 20,000 tenancies to GTL Infra over the next three years;

Aircel is one of the leading GSM operators in the country and has emerged as 3G license winner in 13 out of 22 telecom circles. This may lead to new opportunities in the field of Network Planning & Design, Network Optimisation, Network Deployment and Network Operations and Maintenance. Thus, along with the energy management opportunity as described above the services may result into a revenue of Rs. 8,500 Crs. over a period of next 5 years. The purchase of the Aircel tower business is not only expected to be a transformational transaction for GTL Infra but also significantly benefit us by building a strong partnership with one of the leading 2G and 3G operators in the country.

So far, we have invested Rs. 398.09 Crs. in GTL Infra. This strategic investment has resulted into the following benefits for our Shareholders:

Revenue growth

Since inception of GTL Infra in FY 2004-05, we have earned total revenue of Rs.2,924.15 Crs. and net profit in excess of Rs. 200 Crs. Thus we have already recouped more than 60% of our investments so far through the profits from the business done with GTL Infra.

Growth in Investment value

As on March 31, 2010, we have invested Rs. 398.09 Crs. and mark to market value of this investment is Rs. 1,254.19 Crs.

In view of the new order visibility of around Rs. 8,500 Crs. through purchase of Aircel's tower business, we have additionally invested Rs. 1,067.79 Crs. as our equity contribution for the acquisition. We believe that the said investment will provide sufficient returns to our shareholders as has been demonstrated in the past. To demonstrate my commitment to this acquisition, I have personally invested Rs. 650 Crs. through my holding company Global Holding Corporation Limited.

New Growth Opportunities

3G and BWA Networks

The results for 3G and BWA auctions have been announced and the winning operators have committed approx. US$ 23 Bn for 3G and BWA licenses. These operators are further expected to spend US$ 3.5 - 4 Bn for 3G rollout over next few years. We have already implemented and maintained 3G networks in European markets. Our acquisition of Genesis, UK in 2007 and ADA Cellwork has helped us in adding 3G skillsets to our engineers and they are now trained on 3G Networks implementation and maintenance. As Indian operators are likely to roll-out 3G Networks in the current financial year we are ready to assist them in doing the same in a cost effective way.

Extending Network Deployment Capabilities in Power Sector

Our know how of implementation and maintenance of large telecom Networks can easily be extended to the power sector. Power sector represents Rs. 900,000 Crs. opportunity in Power Generation, Transmission and Distribution. Last year we executed orders worth Rs. 42 Crs. for MSEDCL (Maharashtra State Electricity Distribution Company Limited). At the end of FY 2009-10, our order book visibility for these services is Rs. 427 Crs. Recently, we have emerged as the top bidder for power distribution frachisee contract floated by MSEDCL to distribute power to most parts of Aurangabad.

Key Challenges

Increasing recurring revenue and improving profitability

We are moving towards recurring revenue and higher margin business segments. We believe that this will provide greater stability to our business model. It will also help us in increasing traction with our customers. This can be achieved through our high margin and skill intensive business segments like Network Planning and Optimisation, Network Operations and Maintenance and Energy Management Services.

Changing geographic mix

Currently, 33% of our revenue is contributed by international operations. During the year we strengthened our presence in the African markets of Nigeria and Kenya. Increased demand for capacity addition by operators in Europe and USA created renewed demand for Network Planning & Design and Managed Services. We believe that our international acquisitions and workforce of more than 1,500 people in overseas markets will drive our overseas revenue growth.

However, India continues to remain a big market for us. Although last year our revenue growth from India was insignificant, we may see a higher growth rate in our Indian operations with introduction of Energy Management Services and deployment of 3G and BWA Networks.

Creating a Global Organisation

In line with our vision of becoming the "World's Largest Network Services Provider", we have started the process of building a global and professionally managed organisation.

We are in the final phase of implementing project "GenNext", a plan for increasing management bandwidth to cater to the needs of our growing organisation. Under this initiative, we have identified potential leaders from within the organisation and invested in them by imparting different aspects of leadership through mentoring and various management programs. We have appointed Hewitt, a leading global Human Resource consulting firm, to ensure execution of the program.

People

We are committed to building a customer centric world-class organization by investing aggressively on training our manpower resources. The networking excellence of our engineers is the essence behind our growth.

During the year our employees and contracted associates grew from 5,947 to 7,066. We have designed programs like "Business Partner", "Family Jewel" & "Club Orion" to attract and retain talent at all levels across the organisation. These initiatives have led to successful institutionalisation of compensation review and performance management processes.

Corporate Social Responsibility

In line with our objective of being a committed corporate citizen, we have taken significant efforts in the area of Corporate Sustainability, encompassing Corporate Governance, Social Responsibility and Environment care.

The board has authorised us to set aside up to 2% of our net profit every year towards Corporate Social Responsibility initiatives. We have focused our attention on areas like imparting education to underprivileged children and providing employment opportunities to women and physically challenged people.

Our vast pool of human capital is helping our future progress not only in terms of business but also by its impact on the community.

The increased environmental consciousness across the organisation has resulted in drop in electricity, paper and water consumption. This coupled with our efforts in energy management will further help in reducing the carbon footprint of the telecom industry.

Awards

For our initiatives in the areas of business excellence, corporate responsibility and environment management, we have received the following awards:

- 'No.1 Telecom Turnkey of the Year Award' for FY 2008-09 from Voice & Data
- 'Outstanding Achievement Trophy' in the service category from Ramkrishna Bajaj National Quality Award Trust
- 'Certificate for strong Commitment' from CII-ITC Center of Excellence for Sustainable Development
- 'Greentech Environment Excellence Award 2009' from Greentech Foundation
- Amity HR Excellence Award

Conclusion

For all that our Company has accomplished over the years, we would like to thank all our stakeholders, customers, financial institutions, partners and employees for their unwavering interest and support and look forward for the same in future.

Place: Mumbai
Date : April 20, 2010

Manoj G. Tirodkar
Chairman & Managing Director

GTL is a leading Network Services Company, that serves the Network Life-Cycle requirements of Telecom Service Providers and Technology Providers (OEMs), globally. GTL today has presence in 46 countries and has rolled out networks for more than 70 cellular operators. GTL achieved a revenue of Rs. 2,236.94 Cr (US$ 478.80 Mn) in FY 2009-10 with more than 33% of the revenue contributed by it's international operations.

The Company's vision is to be the "World's Largest Network Services Provider". To accomplish its vision, GTL has developed into an integrated Network Services Provider enhancing its service offerings in Network Planning and Design, Network Deployment, Network Operations and Maintenance, Infrastructure Management and Professional Services. During the year, GTL also ventured into Energy Management Services to cater to the energy optimisation needs of telecom operators.

Network Planning and Design

Network Planning and Design services deliver value by designing the most economical network with high Quality of Service to support the current and future technology and capacity requirements of the operators.

GTL provides Network Planning and Design services covering Radio Frequency (RF) and Transmission Engineering, Fixed and Core Network Engineering for GSM, CDMA, Microwave Transmission, SDH, DWDM, WiMAX and Broadband networks.

The planning and design process assesses alternative options of network technologies, network migration and expansion imperatives and incorporates them into the planning phase.

To satisfy the discerning requirements of global customers, GTL engineers use technology expertise, sophisticated algorithms, world-class tools and disciplined design processes to provide end-to-end, multi-vendor design solutions that exceed customer expectations.

Network Deployment

GTL offers a comprehensive suite of Network Deployment services that support every phase of the deployment process. The offerings include active as well as passive infrastructure deployment for Wireless and Wireline networks.

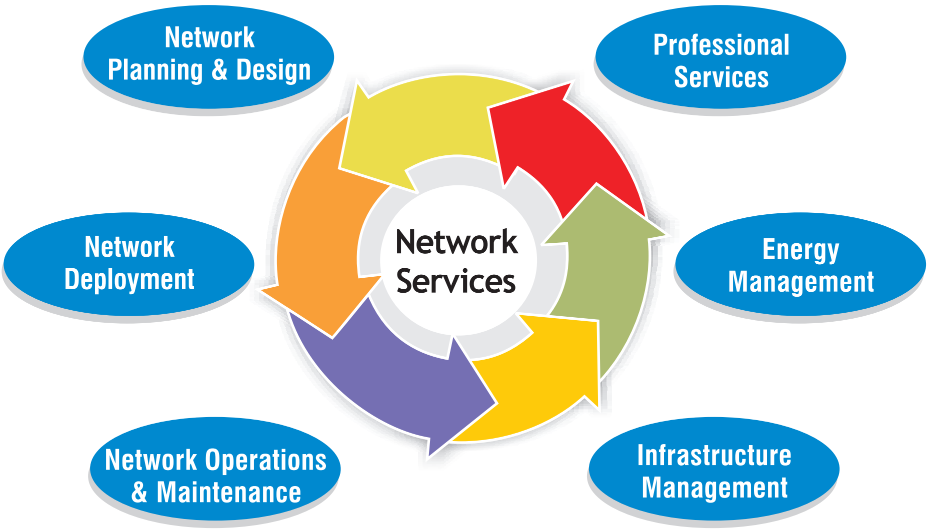
GTL's Network Deployment services enable customers to rollout their Wireless and Broadband networks efficiently with a shorter time to market. By applying its global expertise and leveraging local resources, GTL assures its customers, high quality cost effective network.

GTL has a proven track record of successful Network rollouts. GTL's multi- skilled professionals, leverage mature processes and techniques, to create turnkey solutions for managing, integrating, installing customer's multi-vendor networks.

Network Operations and Maintenance

GTL's Network Operations and Maintenance services portfolio enables operators to focus on their core areas of business i.e. marketing, brand building and customer care while GTL manages Network Operations and Maintenance activities. This approach helps the operators in owning a high performance network at reduced operational expenses (OPEX).

GTL's VALUE CHAIN



GTL has extensive experience on multi-technology products across geographies, maintenance systems and right shoring of operations. This enables GTL to manage operators' critical task of Network Operations & Maintenance seamlessly.

Infrastructure Management

Infrastructure Management services allow the operator to make optimal use of its assets by way of critical and periodic evaluation of performance vis-à-vis their desired outcomes.

GTL's Infrastructure Management services offer management of passive and active (selective) infrastructure, documentation and process management of field activities and site access management. The offerings are aimed at increasing profitability and competitive advantage of operators.

Energy Management

With the Network expansion in semi-urban and rural areas, uninterrupted supply of energy has become the biggest concern for operators in recent times. GTL plans to address this growth opportunity with its Energy Management service offering.

The Energy Management Solutions are aimed at reducing the energy expenses by 15 - 20% through energy audit of telecom infrastructure, process improvements, using alternate sources of energy like solar, wind, etc.

The solutions will benefit the service providers by reducing their operational expenditure and more importantly their carbon footprint.

Professional Services

GTL Professional Services Group has on board a distributed pool of skilled telecom resources. These skilled telecom resources have multi-vendor, multi-technology experience.

The services of these skilled resources are availed by leading Telecom OEMs as well as Telecom Operators across geographies. Typically these services are availed by the clients to meet their mid & long-term resource requirement.

The skilled resources from the Professional Services Group render their services across the entire telecom network lifecycle.

Center of Excellence for Technologies: 3G & WIMAX

GTL has always been in the forefront of nurturing professional expertise in advanced telecommunication technologies. With 3G & WiMAX expected to capture a sizeable share of the existing broadband market, GTL has created the Centre of Excellence for 3G & WiMAX to address the related service requirements.

Centre of Excellence (CoE) is a framework of strategic assets, defined processes, multi-disciplined skill sets and technology to deliver highly efficient professional services required by Telecom Service providers and equipment manufacturers in the area of 3G & WiMAX. GTL with its spread across continents has a pool of resources who have worked extensively on 3G & WiMAX projects. COE leverages this experience and has built a competence centre with trained professionals to support business opportunities.

Having made significant investments in preparing itself for the future Wireless Technologies such as 3G & WiMAX, CoE emphasizes GTL's commitment to provide highly efficient Networks.

Managed Services

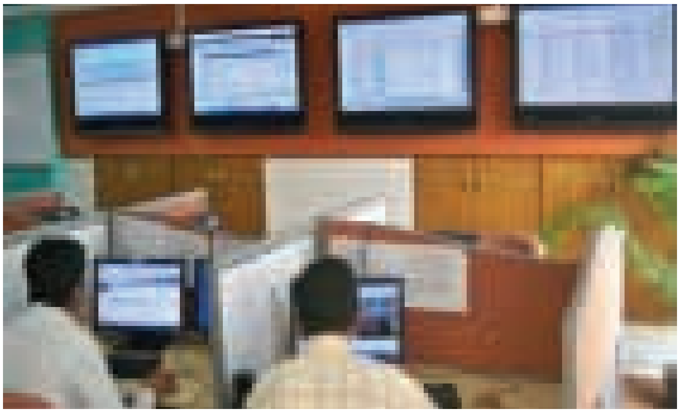
GTL's Managed Services allow operators to free themselves from non-differentiating tasks of building and operating the network and focus on their customer and product centric competencies

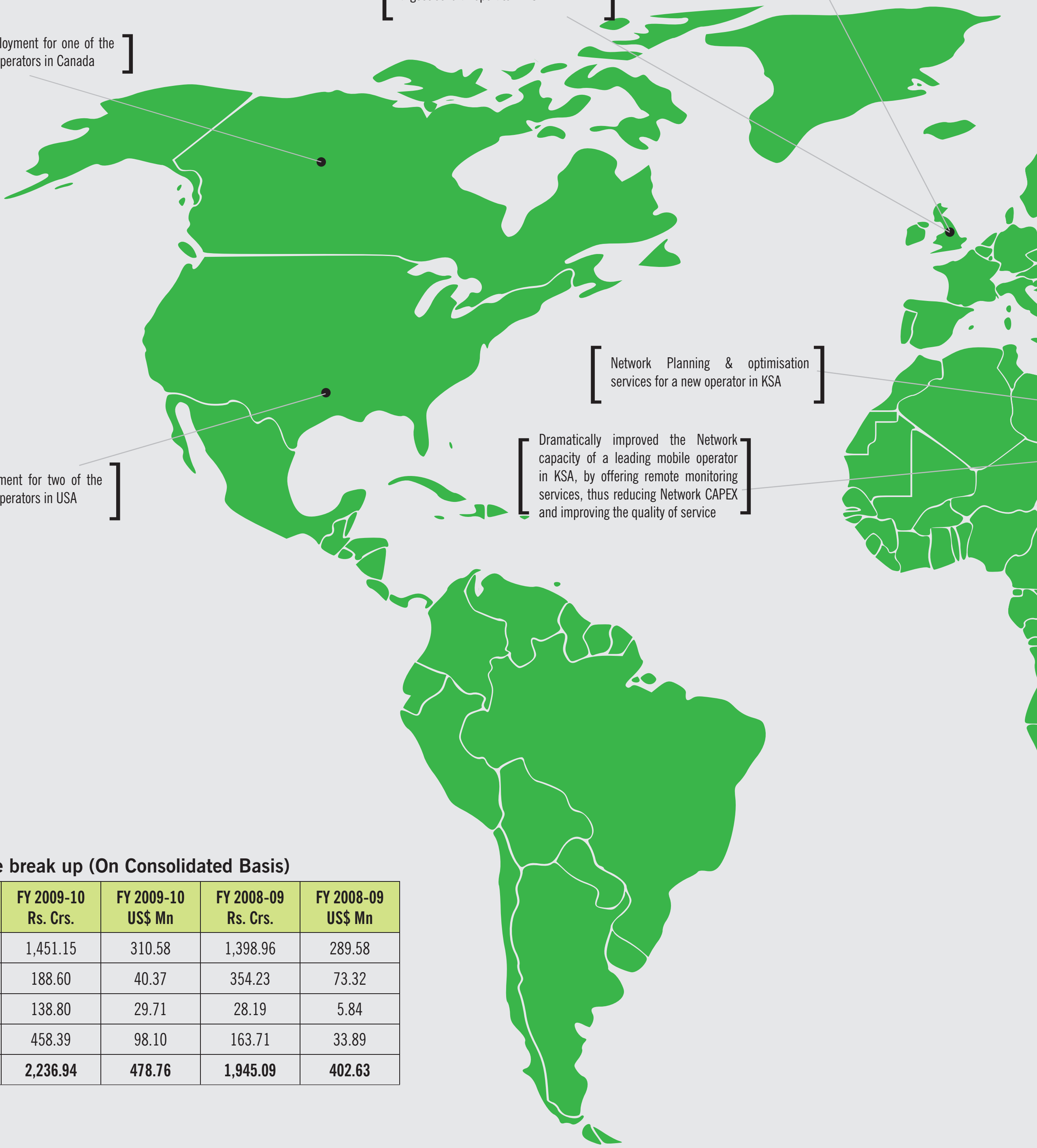
Being a vendor and technology agnostic independent telecom service provider, GTL is uniquely positioned to play a prominent role in Managed Services domain. Since GTL's service offerings encompass the entire network life cycle from Network Planning and Design, Deployment, Optimization, Operations & Maintenance including NOC, network operators can benefit hugely from our existing competencies.

GTL has invested in developing competencies and infrastructure, which forms the backbone of its service offerings to its customers. GTL helps its customers to establish and manage operations with its well-trained manpower and world-class resources, based in India and across the globe. The Company has been operating in the industry for more than two decades now and has a pool of highly skilled resources across variety of network equipments and on a gamut of technologies like GSM, CDMA and WiMAX.

Rich experience, robust framework, highly trained resources and best-practice processes have allowed us to provide each of these activities together under the umbrella of Managed Services for seamless execution and operation of networks.

GTL's Network Operations Centre in Pune, India





Region-wise Revenue break up (On Consolidated Basis)

Region	FY 2009-10 Rs. Crs.	FY 2009-10 US$ Mn	FY 2008-09 Rs. Crs.	FY 2008-09 US$ Mn
India	1,451.15	310.58	1,398.96	289.58
Asia Pacific / Europe	188.60	40.37	354.23	73.32
North America	138.80	29.71	28.19	5.84
Middle East & Others	458.39	98.10	163.71	33.89
Total	**2,236.94**	**478.76**	**1,945.09**	**402.63**

 # The world map is not an actual representation and is only for reference.

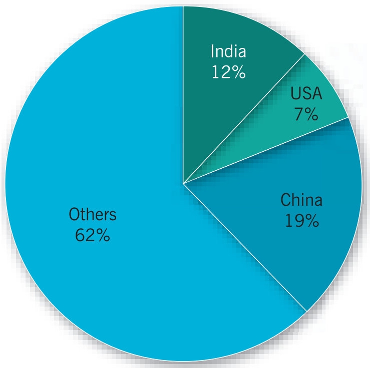
INDUSTRY STRUCTURE AND DEVELOPMENT

World Telecom Industry

The global telecommunications industry has experienced more change in the last decade than in its entire history. In 1999, only 15 percent of the world's population had access to a telephone; by 2009, nearly 70 percent had mobile phone subscriptions.

The global recession did not prevent people from using communication services and accelerated the pace of wireline-to-mobile substitution. China and India continued to drive the telecom market in the Asia Pacific region. In the next five years mobile subscriptions are expected to grow strongly, driven mainly by basic voice service needs in these regions.

Mobile Subscriber Base (% of World)



Source: EIU

In anticipation of increase in subscriber base and uptake of mobile broadband services, operators across the world made plans for incremental investments in capacity and coverage expansion. Worldwide, service providers spent US$ 287 Bn in 2009 on capital expenditure projects, such as Network infrastructure expansion and upgrades. Beginning 2010, the investment cycle is expected to accelerate, driven by 3G rollouts in India, Central and Latin America and Africa, and a ramp-up in Long Term Evolution (LTE) deployments in Australia, Brazil, Western Europe, Japan, and North America.

GTL acts as a Network Services Provider and typically receives & executes contracts from wireless operators, OEMs and tower companies to build, operate and maintain cellular Networks. GTL continuously develops an innovative range of solutions that meet the requirements of its customers. GTL's value proposition to its customers is as follows:

- Networking expertise on various technology platforms
- Global execution capability with presence in 46 countries
- Access to over 7,066 trained and skilled employees and associates
- Relationships with OEMs and Service Providers
- Multi-Partner / Platform Expertise
- Operational Excellence

OPPORTUNITIES AND THREATS

Network Deployment

High subscriber base, low mobile penetration and rollout of new Network services makes emerging markets in South-East Asia & MENA region attractive markets for Network Deployment services.

India

India is GTL's domestic and also the largest telecom market in the world. The Indian telecom market has been characterised by large subscriber base (638 Mn as on April 2010), high growth (avg. monthly net-adds 15 Mn plus), low ARPU (US$ 3.88 per month) and significant churn rates.

Industry estimates indicate increased capex investments by telecom operators to the extent of US$ 21.7 Bn in FY 2010-11 despite falling ARPUs mainly driven by -

- Network expansion by new operators
- Capacity expansion/upgradation by incumbent operators
- Impending rollout of 3G & WiMAX services

Of the total capex investment, around US$ 3.4 Bn will come from the new operators.

Introduction of 3G and BWA Networks

The results of 3G and BWA auctions have recently been announced. The winners have collectively committed over US$ 23 Bn for 3G and BWA licenses. In addition to alleviating the "spectrum crunch", successful 3G and BWA deployments in India could prove a new growth opportunity. Competitive pricing strategies could help drive a faster migration to 3G while also propelling incremental revenue with the launch of newer data services. The circle-wise winners of 3G auction are given below:

Operator	Amount to be paid		Total Licenses
	(Rs. Crs.)	(US$ mn)	
Bharti	12,296	2766	13
RCOM	8,585	1931	13
Idea	5,769	1298	11
Vodafone	11,618	2614	9
DOCOMO	5,864	1319	9
Aircel	6,500	1462	13
STel	338	76	3
Total	**50,970**	**11,466**	

Source: DoT, Goldman Sachs Research.

Operator	Amount to be paid		Total Licenses
	(Rs. Crs.)	(US$ mn)	
Infotel	12,848	2793	22
Aircel	3,438	747	8
Tikona	1,058	230	5
Qualcomm	3,315	721	4
Augere	125	27	1
Total	**20,784**	**4,518**	

Source: DoT Research.

On winning the 3G and BWA spectrum the next biggest challenge for the successful bidders will be rapid deployment of Networks. The operators are most likely to use the existing passive infrastructure base to cater to the immediate Network rollout requirements. However, in the future, the demand for towers are expected to increase as 3G Networks will require denser tower network than 2G Networks on account of Quality of Service constraints which are most critical in 3G services. The operators are expected to spend incremental capex of US$ 3.5 - 4 Bn for rollout of 3G Network on Pan- India basis.

Network Deployment has a significant share in GTL's revenue pie. Hence deployment of 3G, 2G and BWA Networks by new operators will augur well for GTL's revenue growth in FY 2010-11.

Africa

With an overall market penetration of less than 40% and subscriber base of around 390 mn, Africa represents one of the last pockets of growth in voice based services. A poor fixed-line infrastructure and increasing use of wireless communication to provide internet services and mobile banking have prompted many operators from Middle East, India and Europe to establish presence in the region.

Despite the poor economic conditions that prevailed in 2009, regulatory developments like unified licensing are gradually opening up the market for increased competition and advanced services. In 2010, most operators will be keen to leverage opportunities and consolidate their operations realising the pent-up demand for infrastructure investment.

India's largest telecom operator, Bharti, confirmed the African growth story through its acquisition of Zains telecom business in Africa. Realising this growth potential GTL has set up an office in Kenya and executed several deployment projects in countries like Nigeria, Tanzania and Guinea Conakry and has worked with global OEMs and operators.

Middle East

Middle East has been one of GTL's biggest markets outside India. The Middle East mobile market is characterised by high penetration and continuous growth in subscriber base. The operators are making increased investments in upgrading the Network capacity and providing high-speed mobile broadband that enable various value-added applications. This will create a market for GTL's Network Deployment services in the region.

Network Planning & Design

The world telecom industry is entering a new era. Falling ARPU and sustained demand for new technological investments to support value-added services have shifted the focus of Network services provider towards improving Network efficiency and thereby saving costs.

The combined OPEX savings opportunity worldwide was estimated to be worth US$ 143 Bn, assuming that each operator achieves a performance similar to the best-in-class operator in its country.

To help its customers innovate, compete and win in their markets, GTL has enhanced its service capabilities in Network Planning & Design space, to provide the entire ecosystem required for the successful execution of existing and emerging business models. Some of the key markets for GTL in the Network Planning & Design space are as mentioned below:

India

The main drivers for Network Planning & Design services in India are as follows:

- Rapid increase in subscriber base is putting increased pressure on the existing Network Infrastructure of the operators, severely affecting their QoS
- With introduction of 3G Network, operators will switchover to non-voice based services on 3G platform creating significant opportunities in Network rationalisation and upgradation
- Introduction of Mobile Number Portability (MNP) would allow dissatisfied subscribers to switch their network without losing their contact number. This will force the operators to improve their Network quality

APAC

This market is the most developed amongst the emerging markets. The operators have rolled out 3G Networks that enable such services and are now considering 3.5G and 4G Network deployments to ensure the uptake of mobile broadband services. GTL plans to capitalise on this growth opportunity by providing Network Planning & Design services for emerging technologies like WiMAX, 3G and 4G.

Western 3G Markets

The increasing popularity of data application, network devices like iphone have lead to clogging of the Networks. A data application device generates about 30 times the data traffic as compared to other smart devices. Encouraged by these usage statistics operators are now thinking of making fresh investments for capacity addition thereby creating demand for Network Planning & Design for managing data traffic on 3G Network.

Through its acquisition of Genesis and ADA Cellworks GTL has enhanced its skill sets of managing 3G technology and is well positioned to exploit growth opportunities in matured markets like Europe and USA.

Middle East

GTL plans to consolidate its presence in the Middle East to increase revenue from Network Planning & Design space. Intense competition and falling ARPU have led the Telecom operators in the region to enrich customers' home experience through value-added solutions like mobile payment, IPTV, mobile TV, and local content development. Increased spending on technologies capable of delivering high speed data access like 3G & 3.5G is expected to create significant growth opportunities in this segment.

Energy Management

Energy consumption is one of the leading drivers of operating expenses for both fixed and mobile network operators. Reliable access to electricity is limited in many developing countries that are currently the high-growth markets for telecommunications. At the same time, many operators have adopted corporate social responsibility initiatives with a goal of reducing their Networks' carbon footprints, and Network infrastructure vendors are striving to gain competitive advantage by reducing the power requirements of their equipment. All of these factors will continue to converge over the next several years, creating significant market potential for greener telecom Networks.

In India the Network expansion by existing and new operators in semi urban and rural areas is expected to drive the demand for towers in the region. These regions are plagued with shortage of power. Currently the power requirements are met through electricity main, batteries and diesel generators.

Electricity has from grid been the cheapest and viable source of energy and is the most preferred. However, as most of the towers are located in rural areas where grid power is largely unreliable, operators have to depend heavily on diesel generators. Power from a diesel generator is not only expensive but also causes high levels of carbon emissions, leading to global warming. Thus, shortage in power and energy availability is hampering expansion plans of the telecom operators and has become a bottleneck to create a strong Network infrastructure.

Energy requirement of Telecom sites

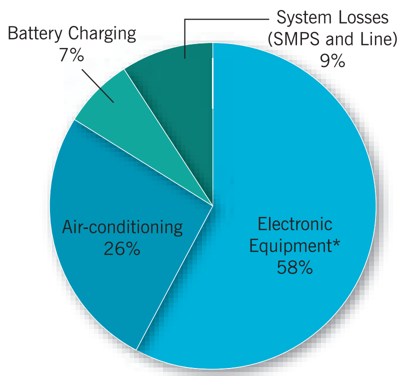
In order to keep the Network running on 24x7 basis, electricity from mains is supported with DG and batteries. Given the power outage in the rural areas, the diesel generators are run for a longer time.

Telecom Operators' Energy Expenditures

Currently, the energy expenses of the operators constitute nearly 25% of the total Network operating cost and as the telecom operators try to reach out to rural subscribers in remote areas the energy bills are going to rise exorbitantly. In order to provide 24x7 power supply telecom operators have to rely heavily on diesel generators and batteries there by increasing their OPEX.

Besides the above, the operators also face problem of increase in CAPEX as frequent interruption in power reduces the life of the batteries, non-availability of skilled manpower and spare parts makes maintenance cost high and face security issues like theft and diesel pilferage at the telecom sites.

ELECTRICITY CONSUMPTION BY DIFFERENT COMPONENTS



* Include BTS, Microwave radio equipment and antennas

Source: Industry estimates

Market Size

By 2013, the telecom industry may have installed 9 lac BTS on 463,000 towers. Uninterrupted electricity is essential for 24x7 availability of mobile Network, but given the power deficit, operators have to rely on secondary power from DG and batteries. This is expected to rise with increasing number of operators trying to penetrate in to rural areas. With this Energy Management Services market would be around Rs. 56,000 Crs.

At GTL, energy management is an opportunity to address a critical need of our customers and contribute to the reduction of carbon footprint of the telecom industry. GTL proposes to provide uninterrupted power supply on telecom sites across the Country with use of alternative energy sources like solar and wind power.

GTL plans to use innovative methods and processes, products and solutions that can bring down this energy consumption by about 15-20%.

Managed Network Services

Network cost is one of the key margin drivers for telecom operators. Increased investments in improving Network coverage and capacity and rising operational cost have led to substantial cash outflow for operators.

Operators are looking to improve their financial performance by outsourcing Network functions to a partner who can provide higher efficiency and economies of scale. This outsourcing trend is creating demand for Managed Network Services.

According to Technology Business Research's recently published Telecom Infrastructure Services (TIS) Addressable Market Forecast, global suppliers of services for telecom operators registered revenue of approx. US$ 70 Bn, in 2009. During the global slowdown, there was a marked decrease in Network equipment spend by the operators. However, the need to improve operational efficiency while maintaining returns on investments forced operators to explore various means of bringing down Network costs including Managed Network Services.

With 15% market share in 2009, Ericsson maintained a clear lead over both Nokia Siemens Networks and Alcatel-Lucent. For its part, Nokia Siemens posted one of the strongest growth rates seen in the services segment last year, particularly in Professional Services. Collectively, the five largest TIS providers, accounted for more than half of the total TIS revenue generated worldwide in 2009.

2009 Top 10 Telecom Infrastructure Services Providers:

Vendor	Market Share
Ericsson	15%
Nokia Siemens Network	11%
Alcatel - Lucent	11%
HP	9%
IBM	8%
Huawei	5%
Accenture	5%
Amdocs	2%
Motorola	2%
Cisco	2%

Source: Technology Business Research

GTL has an ongoing strategic alliance with Ericsson-UK to jointly address the Managed Infrastructure Services opportunity in the UK market. Under Managed Network Services GTL provides Network Deployment, Operations & Maintenance, Infrastructure Management & Professional Services.

Future Outlook

Recognised as "India's Largest Network Services Provider to the World'', GTL plans to tap various growth opportunities to become the "World's Largest Network Services Provider".

GTL is fully geared to overcome the challenges and capitalise on the opportunities to become the preferred partner for all the OEMs and Telecom operators. GTL has outlined the following strategy for its growth.

Growing Along with Partners

Over the years, GTL has strengthened its relationship with all global OEMs like Alcatel-Lucent, Ericsson, Huawei, Motorola, Nokia Siemens Networks and ZTE among others. These partnerships have helped GTL to expand its operations in overseas markets and acquire new customers. The Company's recent alliances with leading OEMs in Europe and APAC region are a step towards this direction.

Globalisation

To attain leadership position in Network Services business on a global scale, GTL decided to increase the revenue contribution from its overseas businesses. For the year ended March 31, 2010, overseas businesses contributed 33% to GTL's overall revenue. Overseas expansion would help mitigate the business risk by reducing dependence of revenues from fewer markets.

During the year, GTL strengthened its foothold in the African and European markets by winning contracts in Network Planning & Design, Network Deployment, Managed Network Infrastructure Services and Professional Services domains.

Enhancing Skill Sets

GTL designs, deploys and manages Network Infrastructure for Telecom Operators and OEMs. Currently most of its revenue comes from deployment of Network Infrastructure. GTL plans to move up the value chain by enhancing its skill sets in Network Planning & Design and Professional Services. GTL has in the past acquired Genesis, UK; ADA CellWorks, Malaysia; SCS, USA to strengthen its value chain. GTL has also established Centre of Excellence for WiMAX and 3G Networks. This will enable the Company to enhance its competencies on new technologies and help serve its customers better.

Increasing Contribution from Recurring Revenue

Currently, Network Deployment business contributes to majority of GTL's revenue. However, as the markets mature the demand for rollout of new towers in expected to taper off. GTL plans to increase recurring revenue from Network Operation & Maintenance and Energy Management services thereby improving the profitability of business and predictability of cash flow.

Commitment to communication.

Network Services.

Through our network services we enable telecom operators to offer cost-effective and world-class services. GTL's engineers work for over 70 operators in 46 countries, providing network life cycle services in building, managing and maintaining their networks.

STRATEGIC INVESTMENT

GTL offers Network Services across 46 countries to leading telecom operators and OEMs and has expertise in Network Planning and Design, Network Deployment, Network Operations & Maintenance, Infrastructure Management, Energy Management and Professional Services. The Company is the largest Network Service Provider in India and its vision is to become the largest Network Service Provider in world. In pursuit of this vision, the Company makes strategic investments in business operations for organic and inorganic growth.

Strategic Investment in GTL Infrastructure Limited (GTL Infra)

Since inception GTL has invested over Rs. 398.09 Crs. in GTL Infra. This has accrued the following benefits to GTL Shareholders:

- **Growth in investment value**
  As on March 31, 2010 the mark to market value of Rs. 398.09 Crs. investment is Rs. 1,254.19 Crs.

- **Revenue growth**
  Since inception of GTL Infra in 2004-05, GTL has earned total revenue of Rs.2,924.15 Crs. till March 31, 2010. The details of the same are given in the table below:

Rs. Crs.

	Financial Year						Total
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	
Revenue from GTL Infra	-	21.63	331.23	771.36	830.51	969.42	2,924.15

Note: The accounting period for FY 2005-06 was for 15 months ended June 2006 ;
The accounting period for FY 2006-07 was for 9 months ended March 2007

GTL Infra and Aircel Deal Summary

In pursuance of its inorganic growth strategy, GTL Infra has agreed to purchase the telecom tower business of Aircel Limited through a subsidiary. The highlights are as follows

- Purchase of 17,500 towers
- 21,000 tenants on these towers
- Enterprise value of Rs. 8,400 Crs.
- Additional commitment of 20,000 tenancies over the next 3 years

Benefits of the deal to GTL

The purchase of Aircel's tower business is not only expected to be a transformational transaction for GTL Infra but also significantly benefit GTL by building a strong partnership with one of the leading 2G and 3G operators in the country. In view of the following opportunity GTL has invested Rs. 1,067.79 Crs. in a subsidiary of GTL Infra, formed for the purpose of acquisition. The purchase of Aircel towers will present the following growth opportunities for GTL.

- **Network Deployment:** The purchase of Aircel's towers may give GTL Infra a commitment of additional 20,000 tenancies for next 3 years translating into new Network Deployment opportunities for GTL. GTL Infra expects the tenancy on its expanded tower base to increase to 2.4 by FY 2013E. This will further result into significant revenue opportunity for GTL in the form of installation and commissioning of telecom equipments on GTL Infra sites.

- **Network Operations & Maintenance:** GTL currently provides Network Operations & Maintenance services on all 12,456 GTL Infra towers. The purchase of Aircel tower business will increase GTL Infra tower base from the present 12,456 towers to 32,500 and is further likely to go up to over 50,000 towers by FY2013E. GTL is likely to provide Operation & Maintenance Services on all 50,000 GTL Infra sites by FY 2013E.

- **Energy Management Solutions:** GTL has entered into a definitive agreement with Aircel to provide Energy Management solutions on cell sites for the next 6 years. Under this agreement, GTL will ensure uninterrupted power supply on all Aircel towers while reducing the overall energy expenditures by use of innovative methods and alternate sources of energy. The agreement will cover all Aircel sites and the incremental site rollouts by GTL Infra with Aircel as anchor tenant.

- **Active Infrastructure Management:** GTL is likely to provide its active infrastructure management services on Aircel's tower network. Under this service, GTL maintains the active infrastructure components on the cell sites and also undertakes Network monitoring to ensure its availability on 24x7 basis.

Revenue Opportunity

With the offerings of various Networking Services to Aircel, the likely revenue opportunity for the Company is summarized as below:

Rs. Crs.

Service Offerings	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Network Deployment	1,250	1,250	1,250	1,250	1,250	6,250
Network Maintenance	486	594	702	810	918	3,510
Energy Management	540	660	780	900	1,020	3,900
Active Infrastructure Management	486	594	702	810	918	3,510
Total Business Opportunity	2,762	3,098	3,434	3,770	4,106	17,170

Even if GTL is able to realize 50% of the above mentioned business opportunity, it will result into revenue of around Rs. 8500 Crs. over a period of the next 5 years, which presents significant opportunity for GTL.

DISCUSSION OF CONSOLIDATED FINANCIALS

During the year GTL consolidated its position in the global telecom market and took a series of steps to ensure long term growth of the business. GTL has now executed projects in 46 countries and has worked with over 70 different telecom operators. Acquisitions made in the last three years helped GTL strengthen its foothold in international markets as overseas operations contributed to 33% of the total revenue. This coupled with capacity additions and 3G network rollouts in matured markets of Europe and US created renewed demand for high margin segments of Network Planning & Design, Operation and Maintenance and Professional Services businesses.

For the purpose of financial analysis, the figures in rupees for the FY 2009-10 and FY 2008-09 are converted into US$ as under:

Particulars	FY 2009-10 (Rs.)	FY 2008-09 (Rs.)
Profit and Loss Account - 1 US$ equals to	46.72	48.31
Balance Sheet- 1 US $ equals to	45.01	51.05

Pre-elimination and Post-elimination Revenues of the Group for 12 months period

Particulars	FY 2009-10 (Rs. Crs.)	FY 2008-09 (Rs. Crs.)	FY 2009-10 (US$ Mn)	FY 2008-09 (US$ Mn)
GTL (Standalone)	1,551.33	1,450.90	332.05	300.34
International Subsidiaries	785.79	499.94	168.19	103.49
Indian Subsidiaries	7.43	NIL	1.59	NIL
Pre elimination Group Revenues	2,344.55	1,950.84	501.83	403.83
Less: inter- company elimination entries	107.61	5.75	23.03	1.19
Post elimination Group Revenues	**2,236.94**	**1,945.09**	**478.80**	**402.64**

Customer Profile

Particulars	FY 2009-10	FY 2008-09
% of revenue from largest Customer*	14%	13%
% of revenue from top 5 Customers	46%	38%
% of revenue from top 10 Customers	61%	47%
Customers accounting for more than 5% of total revenue	4	3
Customers accounting for Rs. 1-15 Crs.	39	26
Customers accounting for Rs. 16-40 Crs.	15	5
Customers accounting for more than Rs. 40 Crs.	8	5

* Other than Associate Companies

Segment-wise Reporting

GTL has a single segment of reporting - “Network Services” and financials have been elaborately discussed in this section.

Results of Operations

Net Sales & Services	FY 2009-10 (Rs. Crs.)	FY 2008-09 (Rs. Crs.)	Y-o-Y Growth(%)	FY 2009-10 (US$ Mn)	FY 2008-09 (US$ Mn)
- International	731.01	546.13	34%	156.47	113.05
- Domestic	1,505.93	1,398.96	8%	322.33	289.58
Total	**2,236.94**	**1,945.09**	**15%**	**478.80**	**402.63**

During the year the Company registered a revenue growth of 15% over FY 2008-09. Falling Average Revenue Per User (ARPU) in Indian telecom market and drop in Minutes of Usage (MoU) resulted in margin erosion for operators. Hence, operators were forced to cut down on their capital and operating expenditure. During the year revenue from domestic operations increased marginally from Rs. 1,398.96 Crs (US$ 289.58 Mn) to Rs. 1,505.93 (US$ 322.33 Mn).

During last 3 years GTL acquired 3 Companies in Network Services space viz. Genesis Consultancy, ADA CellWorks and SCS Communication. This enhanced the Company’s skill sets in Network Planning & Design, Professional Services and Operations & Maintenance on 2G and 3G Network. The increasing popularity of data application devices in matured markets lead to Network clogging creating demand for Network Planning & Design and Professional Services. GTL continued to undertake Network Deployment contracts in African, Middle East & Europeon region for Network rollout. As a result GTL registered a 37% revenue growth from international operations.

Cost of Sales, Services and Delivery

In FY 2009-10 **cost of sales, services and delivery** stood at Rs. 1,675.06 Crs. (US$ 358.53 Mn) (74.88% of revenue) as against Rs.1,462.21 Crs. (US$ 302.67 Mn) (75.20% of revenue) in FY 2008-09.

The **Selling and Marketing expenses** as a percentage of sales increased marginally from 2.35% (Rs. 45.65 Crs.) (US$ 9.45 Mn) in FY 2008-09 to 2.65% (Rs. 59.36 Crs.) (US$ 12.71 Mn) in FY 2009-10.

The **Administrative Expenses** as a percentage of sales also decreased from 7.59% (Rs. 142.93 Crs.) (US$ 29.58 Mn) in FY 2008-09 to 7.30% (Rs. 163.19 Crs.) (US$ 34.93 Mn) in FY 2009-10.

Interest and Finance Charges

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

Particulars	Rs. Crs.		US$ Mn	
	FY 2009–10	FY 2008–09	FY 2009–10	FY 2008–09
Interest Income	66.05	47.31	14.14	9.79
Less : Interest Expense	93.29	79.20	19.97	16.39
Net Interest Expense	**(27.24)**	**(31.89)**	**(5.83)**	**(6.61)**
Finance Charges	61.84	44.01	13.24	9.11
Total of Interest Expense and Finance Charges	**(89.08)**	**(75.90)**	**(19.07)**	**(15.71)**
Other Financial Income				
Dividend				
From Subsidiaries	10.75	4.13	2.30	0.85
From Others	0.01	0.05	0.00	0.01
Total	**10.76**	**4.15**	**2.30**	**0.86**
Less : Elimination of Subsidiaries Dividend	10.75	4.05	2.30	0.885
Dividend (Net of Elimination)	**0.01**	**0.06**	**0.00**	**0.01**
Profit / (Loss) on sale of Investments	14.21	22.53	3.04	4.66
Exchange Gain / (Loss)	38.45	(20.96)	8.23	(4.34)
Total of Other Financial Income	**52.67**	**1.63**	**11.27**	**0.33**

Interest (Net) and Finance Charges on net basis for the FY 2009-10 increased to Rs. 89.09 Crs. (US$ 19.07 Mn) as against Rs. 81.45 Crs. (US$ 16.86 Mn) in the last year. The increase in interest amount was mainly on account of Non-Convertible Debentures (NCDs) issued in February 2010.

Exchange Variation

The Company and its subsidiaries execute projects in 46 countries and thus have exposure in several currencies related to bank deposits, payment to suppliers, receivables and loans e.g. ECB / Suppliers' credit. Fluctuations in currency exchange rates and interest rates are the potential risks in these transactions. The Company has used hedges, forex forward bookings, currency and interest rate swaps and related derivatives as part of the overall strategy to manage its level of exposure to foreign currency.

During the year, the rupee currency performed over other international currencies and as a result GTL booked Exchange Gain of Rs. 38.45 Crs. (US$ 8.23 Mn)

Provision for tax

Provision for tax (including deferred tax assets) as at March 31, 2010 stood at Rs. 40.63 Crs. (US$ 8.69 Mn)

Provision for Tax	Rs. Crs.	US$ Mn
Income Tax	38.05	8.14
Deferred Tax	2.58	0.55
Total Tax	**40.63**	**8.69**

Balance Sheet Items

Equity Share Capital

As on March 31, 2009 the equity share capital was Rs. 94.72 Crs. (US$ 21.04 Mn). GTL's Share Capital as on March 31, 2010 is given as under:

Particulars	No. of Equity Shares	Rs. Crs.	US$ Mn
Equity Capital as on March 31, 2009	94,723,153	94.72	21.04
Add: Allotment of Equity Shares on account of Conversion of ESOPs	2,001,312	2.00	0.44
Equity Capital as on March 31, 2010	**96,724,465**	**96.72**	**21.48**

ESOPs

The Employee Stock Option Plan (ESOP) was introduced and implemented in FY 1998-99 to enable the employees of the Company to participate in future growth and success of the Company. As on March 31, 2010 stock options allotted under various schemes are as below:

Particulars	No. of ESOPs
No. of outstanding ESOPs as on March 31, 2009	5,133,733
Add: Grants issued during the year	73,500
Less: No. of ESOPs Converted during the year	2,001,312
Less: Forfeited during the year	166,941
Total no. of outstanding ESOPs as on March 31, 2010	**3,038,980**

The resultant Fully Diluted Share Capital of the Company will be as under:

Particulars	Rs. Crs.	US$ Mn
Equity Capital on March 31, 2010	96.72	21.49
Add : Full ESOP Conversion	3.06	0.68
Fully Diluted Equity Capital	**99.78**	**22.17**

Reserves and Surplus

Reserves and Surplus as on March 31, 2010 was Rs. 1,316.30 Crs. (US$ 292.45 Mn). The Board of Directors have recommended a dividend of Rs. 3 per share for FY 2009-10. The aggregate Dividend & Tax thereon will result into distribution of Rs. 35.02 Crs. (US$ 7.78 Mn) to the shareholders on a fully diluted Capital of approximately Rs. 99.76 Crs. (US$ 22.17 Mn). This dividend payout would be provided from the Profit of Current Year.

Particulars	Rs. Crs.	US$ Mn
Reserves & Surplus on March 31, 2009	1,177.68	261.65
Add:		
Profits during the year (Excluding Extra-ordinary Income Profit/ Loss but after Prior Period Adjustment, Profit/ Loss on associates, Reserve on Consolidation	206.14	45.80
Share Premium on ESOP conversion	34.81	7.73
Capital Reserve	10.31	2.29
ESOP Reserve	(3.92)	(0.87)
Translation and Reserve & Consolidation	(73.70)	(16.37)
Less:		
Extra-ordinary items	NIL	NIL
Proposed Dividend (Return to Shareholders) and Dividend Distribution Tax	35.02	7.78
Reserves & Surplus on March 31, 2010	**1,316.30**	**292.45**

Loans

The Company is implementing energy efficient solutions for telecom sites. These solutions will include energy efficient equipments and alternative sources of energy like wind and solar. To part finance the same, the Company during the year issued 14,000 Rated Redeemable Unsecured Rupee Non- Convertible Debentures (NCDs) of Rs. 10.00 Lacs each for cash at par aggregating Rs. 1,400 Crs. (US$ 311.04 Mn). As a result, Loans as on March 31, 2010 stood at Rs. 2,373.50 Crs. (US$ 527.33 Mn) as against Rs. 1,011.25 Crs. (US$ 198.09 Mn) in March 31, 2009.

Net fixed Assets

As on March 31, 2010 the net fixed assets were Rs. 439.62 Crs. (US$ 97.67 Mn) as against Rs. 452.92 Crs. (US$ 88.72 Mn) on March 31, 2009.

Financial Status and Liquidity – Investments and Cash Flow

Cash and Cash equivalent on March 31, 2010 was Rs 1,573.81 Crs. (US$ 349.66 Mn) as against Rs. 1041.57 Crs. (US$ 204.03 Mn) on March 31, 2009. Following is the brief snapshot of Company's cash flow for the year:

Particulars	Rs. Crs.		US$ Mn	
	Mar 31, 2010	Mar 31, 2009	Mar 31, 2010	Mar 31, 2009
Cash and cash equivalent at the beginning of the period	1,041.58	861.03	231.41	168.66
Add: Net Cash provided/ (used) by				
Operating Activities	361.71	297.88	80.36	58.35
Investing Activities	(1,134.06)	(197.56)	(251.96)	(38.70)
Financing Activities	1,304.57	80.23	289.85	15.72
Cash and cash equivalent at the end of the period	**1,573.80**	**1,041.58**	**349.66**	**204.03**

Details on GTL's surplus Cash Deposits

Particulars	Rs. Crs.
PSU's Bank	
Bank of India	219.15
Andhra Bank	105.52
Indian Bank	86.39
Union Bank of India	58.19
Vijaya Bank	57.77
Dena Bank	56.48
Syndicate Bank	50.14
United Bank of India	50.04
UCO Bank	39.70
Bank of Baroda	26.03
Canara Bank	20.05
Other PSU Banks	7.48
Total of PSU Banks (A)	**776.94**
% of Total Bank Balance	**49.37**
Private Bank	
AXIS Bank Ltd	246.73
ICICI Bank Ltd	107.04
HDFC Bank Ltd	85.98
Yes Bank	51.00
Standard Chartered Bank	24.18
IDBI Bank	15.35
Other Private Banks	10.86
Total of Private Banks (B)	**541.14**
% of Total Bank Balance	**34.38**
Cash / Cheques in Hand & Fund in Transit (Since Realised) (C)	**71.00**
Bank Balance of Subsidiaries with Overseas Banks (D)	**184.72**
Cash & Bank Balance as at March 31, 2010 [A+B+C+D]	**1,573.80**

The Bank Balance includes Rs. 284.44 Crs. (US$ 63.19 Mn) towards margin money against Letter of Credit, Purchase Bill, Sales Bills & suppliers' credit gurantees and other Guarantees. The Company has pledged fixed deposit as on March 31, 2009 of Rs. 189.94 Crs. (US $ 37.25 Mn)

As a part of the prudent treasury norm the Company deploys its surplus cash into diversified investment portfolio to generate excess returns while ensuring adequate balance and maintaining the risk return levels. As on March 31, 2010, GTL's investments stood at Rs. 590.67 Crs. (US$ 131.23 Mn) as against Rs. 547.74 Crs. (US$ 107.29 Mn) as on March 31, 2009.

The details of the unquoted and quoted investments with the market value is as given below:

Investments	Rs. Crs.		US$ Mn	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Quoted Investments				
Equity				
- GTL Infra	398.09	356.08	88.44	69.75
- Others	NIL	0.41	NIL	0.08
Total Quoted Investments (A)	**398.09**	**356.49**	**88.44**	**69.83**
Unquoted Investments				
Equity	221.18	116.04	49.14	22.73
Preference Shares	NIL	98.02	NIL	19.20
Total Unquoted Investments (B)	**221.18**	**214.05**	**49.14**	**41.93**
Total Investment C = (A + B)	**619.27**	**570.52**	**137.59**	**111.76**
Less : Share of loss of Investment in Associates **(D)**	(28.61)	(22.78)	(6.36)	(4.46)
Net Investment (C - D)	**590.66**	**547.74**	**131.23**	**107.29**
Market value of Quoted investments	**1,254.20**	**853.61**	**278.65**	**167.21**

GTL plans to part fund the Aircel tower purchase by GTL Infrastructure. The rationale for the same is given on page number 17. As a result, GTL has invested Rs. 1,067.79 Crs. in an associate formed to facilitate this deal. Since this investment has been made in the form of share application money, the funds are currently being accounted in Loans and Advances section of Current Assets. Post the issuance of shares our total investment in GTL Infra's telecom tower business will be Rs. 1,446.58 Crs. (US$ 321.39 Mn).

The Company ensures to maintain sufficient cash balance to meet atleast one year's operational requirements.

Guarantees

GTL extends guarantees to its subsidiaries and affiliates in its normal course of business in India and abroad. The gurantees are given for:

- Performance of its Subsidiaries, Associates and affiliates for business obligations
- To enable its Subsidiaries & Associate companies to avail financial assistance

The details of Guarantees outstanding as at March 31, 2010 & March 31, 2009 are as under:

Nature of Guarantees	As at March 31,2010		As at March 31,2009	
	Rs. Crs.	US$ Mn	Rs. Crs.	US$ Mn
Performance Guarantees	228.00	50.66	228.00	44.66
Financial Guarantees	210.00	46.66	185.00	36.24
Guarantees towards subsidiaries	151.30	33.61	158.14	30.98

Funds Deployed

The Working Capital days for FY 2009-10 decreased to 189 days from 235 days in FY 2008-09. Growth in international operations & better payment terms have resulted in lower working capital requirements.

Inventory on March 31, 2010 was Rs. 255.82 Crs. (US$ 56.84 Mn) as against Rs. 305.69 Crs. (US$ 59.88 Mn) on March 31, 2009. The number of days of Inventory to Revenue decreased from 57 days in FY 2008-09 to 41 days in FY 2009-10.

Receivables on March 31, 2010 was Rs.367.63 Crs. (US$ 81.68 Mn) as against Rs. 443.26 Crs. (US$ 86.83 Mn) on March 31,2008. The Daily Sales Outstanding (DSO) increased from 60 days to 82 days.

Loans and Advances on March 31, 2010 was Rs. 1,429.26 Crs. (US$ 317.54 Mn) as against Rs. 641.83 Crs. (US$ 125.73 Mn) on March 31, 2009. As explained earlier, the rise in Loans and Advances is mainly on account of temporary inclusion of Share Application Money of Rs. 1,067.79 Crs. (US$ 237.23 Mn) towards the purchase of Aircel tower business. However, post the issuance of shares by the subsidiary this amount will be reflected in the investment item of the Balance Sheet.

Particulars	Rs. Crs.		US$ Mn	
	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09
Advance to Suppliers	30.22	200.42	7.61	39.26
Accrued Receivables	148.95	199.30	33.09	39.04
Share Application Money towards Equity Investment in Chennai Network Infrastructure Limited	1,067.79	NIL	237.23	NIL
Deposits	18.04	99.80	4.01	19.55
Advance Tax/TDS (Net of Provisions)	74.37	70.55	16.52	13.82
Prepaid Expenses	49.38	40.33	10.97	7.90
Others	40.51	31.43	9.00	6.16
Total	**1,429.26**	**641.83**	**318.43**	**125.73**

- Advance to Suppliers - The Company gives Advances to Suppliers to obtain competitive pricing and timely delivery of materials & services. In view of change in the payment terms for procurement of Material 'Advance to Suppliers' reduced from Rs.200.42 Crs. (US $ 39.26 Mn) to Rs.30.22 Crs. (US $ 7.61 Mn)
- Accrued Receivables indicates revenue recognition for ongoing contracts. As a percentage of Revenue, it reduced from 10.25% to 6.66%
- Deposits include Earnest Money Deposit (EMD) and Security Deposits for Marketing, Rentals etc

- Advance Tax/TDS (Net of Provision for Tax), Tax deducted by Customers on Turnkey Services and on Interest on Bank Deposits
- Prepaid expenses include charges paid to Banks towards Cost of Finance, Insurance, Selling and Administration Expenses

Current Liabilities as on March 31, 2010 was Rs. 872.42 Crs. (US$ 193.83 Mn) as against Rs. 1,121.74 Crs. (US$ 219.73 Mn) on March 31, 2009.

Particulars	Rs. Crs.		US$ Mn	
	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09
Acceptances and Creditors	739.10	905.51	164.21	177.38
Advance from Customers	37.00	151.88	8.22	29.75
Interest Accrued but not due	16.21	7.40	3.60	1.45
Other Liabilities	80.11	56.95	17.80	11.15
Total	**872.42**	**1,121.74**	**193.83**	**219.73**

- Increase in Acceptances and Supplier's Liability is on account of procurement of Material / Project requirement under Letter of Credits and other credit facilities to avail better pricing & low cost of Finance towards Turnkey Projects being executed
- Favorable contracts with Advance from Customers towards Turnkey Contracts
- Other Liabilities include Provision for Expenses, Outstanding Indirect Taxes & Statutory Liabilities (payment not due subsequent to March 31, 2010)

Provisions

On March 31, 2010 Provisions stood at Rs. 64.04 Crs. (US$ 14.23 Mn) as against Rs. 55.84 Crs. (US$ 10.94 Mn). The break-up of the same is as under:

Particulars	Rs. Crs.		US$ Mn	
	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09
Proposed Dividend	29.93	28.42	6.65	5.57
Tax on Dividend	5.09	4.82	1.13	0.95
Derivatives Loss – MTM	19.32	14.42	4.29	2.82
Gratuity & Leave Encashment	9.70	8.18	2.16	1.60
Total	**64.04**	**55.84**	**14.23**	**10.94**

Derivative loss is not a cash loss but is provided as on March 31, 2010 on MTM basis.

Return on Capital Employed

Return on Capital Employed has decreased from 12.86% in FY 2008-09 to 7.42% in FY 2009-10 on account of borrowings to the tune of Rs. 1,400 Crs. (US$ 310.97 Mn) for Energy Management business. Under prudent accounting practices GTL's investment in tower business of Rs. 1,863.97 Crs. (US$ 414.03 Mn) is considered at its book value. On consideration of the actual market value of this investment the Ro CE would be higher.

Contribution to Exchequer

Particulars	Rs. Crs.		US$ Mn	
	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09
A. Direct Tax				
Income Tax paid (incl. TDS) during year	30.73	17.83	6.83	3.49
B. Indirect Tax				
Sales Tax/VAT/WCT/Cess	15.04	13.98	3.34	2.74
Service Tax	24.99	39.23	5.55	7.68
Total (B)	**40.03**	**53.21**	**8.89**	**10.42**
Total (A+B)	**70.76**	**71.04**	**15.72**	**13.91**
International Taxes (C)	**26.23**	**40.37**	**5.83**	**7.91**
Total Taxes (A+B+C)	**96.99**	**111.41**	**21.55**	**21.82**

Related Party Transaction

Nature of Transaction	Subsidiaries		Associates	
	Rs. Crs.	US$ Mn	Rs. Crs.	US$ Mn
Sales, Services & Re-imbursements	30.67	6.56	970.07	215.52
Other Income	10.75	2.30	NIL	NIL
Purchases and Expenses	23.99	5.13	53.83	11.96
Purchase of Fixed Assets	43.23	9.25	NIL	NIL
Guarantees Given	132.43	28.35	NIL	NIL
Equity Contribution	290.88	62.26	473.42	105.18
Receivables	18.22	3.90	65.23	14.49
Advances / Deposits & Accrued Receivables	1.83	0.39	1126.49	250.28
Payables, Advances Received	3.76	0.80	7.87	1.75

Relationship:

Subsidiaries: GTL International, International Global Tele-systems Limited and their subsidiaries.

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

Ratios

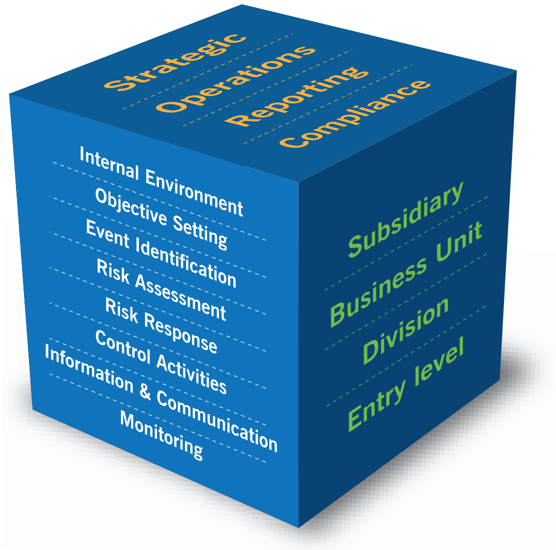
Financial Performance	FY 2009-10	FY 2008-09
As a % of Sales		
International Sales	33.40	28.08
Domestic Sales	66.60	71.92
Cost of Sales, Services & Delivery	74.88	75.20
Selling & Marketing Expenses	2.65	2.35
Administration & Other Expenses	7.30	7.59
Income Tax/ PBT (%)	16.53	13.88
Average no. of Employees	6,286	5,780
Sales Per Employees (Rs. Lacs)	35.59	33.65
Profit Per Employees (Rs. Lacs)	3.28	2.52
Profitability		
Gross Profit Margin (%)	25.12	24.80
EBITDA Margin (%)	15.47	15.25
PBDT Margin (%)	13.63	11.43
PBT/ Total Income (%)	10.93	8.70
PAT/ Total Income (%)	9.16	7.47
PAT/ Networth (%)	14.52	11.44
RoCE (%)	7.42	12.86
Balance Sheet		
Debt/ Equity Ratio	1.68	0.79
Net Fixed Assets/ Networth (%)	31.11	35.60
Debtors Turnover Days	59.99	83.18
Inventor Turnover Days	41.74	57.36
Current Ratio	3.92	2.06
Cash/ Total Assets (%)	41.56	45.60

RISK MANAGEMENT REPORT

This report, prepared in accordance with Clause 49 (IV) of the Listing Agreement with Stock Exchanges in India, sets out the Enterprise Risk Management practiced by GTL Limited (the Company). Shareholders and other readers are cautioned that the risks outlined here are not exhaustive and are for information purposes only. The report may contain statements, which may be forward-looking in nature. The business environment is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Hence, all readers are requested to exercise their own judgment in assessing the risks associated with the company, and to refer to the discussions of risks in the Company's previous annual reports and the website.

Risk Management – Significance & Approach

In India, since 2001, Enterprise Risk Management (ERM) has evolved steadily in progressive companies. It is developing from being merely a risk identification and assessment process to building a risk portfolio that is continually assessed and monitored. The perception that "risk is not my responsibility" has evolved to a more realistic "risk is everybody's responsibility". These changes have resulted in ERM becoming an integral part of a company's operating philosophy.



There are several ERM frameworks to choose from (e.g. Aus/NZ, AIRMIC, Canada, COSO, etc.), of which 'COSO's Integrated ERM Framework' is the most popular. This framework describes a direct relationship between an entity's objectives (what an entity strives to achieve) and ERM components (what is needed to achieve them) spanning across various levels in the organisation. This relationship is portrayed as a three-dimensional cube. COSO's flexible framework allows a company to focus on the entirety of its ERM framework, or by objectives category, components, entity unit, or any combination there of.

However, the choice of a framework depends upon individual companies needs. Some companies have even prepared their own framework by picking up the relevant recommendations from various frameworks.

GTL has also prepared its' own framework and is adhering to the same. However, as a continual improvement measure, it has always been striving to adhere completely to COSO framework as well.

Risk Management Structure

Sr. No.	Risk Management in-charge	Role & Responsibilities
1	Board of Directors	Oversees risk management performed by the Executive Management
2	Audit Committee	Supports the Board in overseeing risk management
3	Operating Council/ Risk Management Committee	Supports Risk Management Group in risk management program
4	Risk Management Group	• Facilitates the execution of risk management across GTL • Manages insurable risks by taking appropriate Insurance Policies • Evaluates various contracts to minimize legal & contractual risks • Evaluates various financial/market risks • Implementing ERM across the Company through analyzing operational gaps and then plugging them by establishing appropriate systems and procedures like Standard Operating Procedures • Carrying out analysis of risks of the Countries where the company plans to start operations • Provides assurance on risk management activities conducted by operations and support groups across GTL
5	Business and Functional Heads	Take responsibility to manage their functions as per GTL's risk management philosophy
6	GTLites	• The actual implementer of ascribed risk actions • Provide feedback on the efficacy of risk management and early warnings for detection of risk events

Risks and Concerns

Major Risks Identified are as follows:

1) Strategic Risks

Current high demand for telecom sites may plateau

Our business is driven by the projected growth in the Indian cellular subscriber base. As at April 2010, the overall tele-density is 54% with a subscriber base of 638 Mn, out of which, wireless subscriber base has reached 601.22 Mn. The overall subscriber base in April 2009 was 441.47 Mn, which has increased by 49% within a year. However, over a period of five years, we may face the risk of the Indian wireless market not growing at the current growth rate as stated above resulting in stagnant/slowdown of tower demand.

Decrease in demand for telecom sites may affect our operating results.

Many of the factors affecting the demand for telecom sites could materially affect our operating results. The factors include:

- Consumer demand for wireless services
- The financial condition of wireless service providers
- The ability and willingness of wireless service providers to maintain or increase their capital expenditures
- The growth rate of wireless communications or of a particular wireless segment
- Governmental licensing of spectrum
- Mergers or consolidations among wireless service providers
- Increased use of network sharing arrangements or roaming and resale arrangements by wireless service providers
- Zoning, environmental, health and other government regulations
- Technological changes

The demand for telecom sites is dependent on the needs of wireless service providers. In the event that there is a significant variation in any of the aforesaid factors, our business, our growth plans and results of operations may be affected.

However auctions of 3G spectrum & deployment of 3G technology will give thrust to demand for telecom towers.

If our wireless service provider customers consolidate or merge with each other to a significant degree, the demand for telecom towers may be reduced.

Significant consolidation among our wireless service provider customers may result in reduced capital expenditures in the aggregate as the existing networks of many wireless carriers overlap, as do their expansion plans. The Indian wireless telecom market has experienced consolidation during the past couple of years. There are still numerous wireless operators in India with at least 2-3 GSM operators and 1-2 CDMA operators for each circle. There is potential for further consolidation among the operators to realize a larger operating scale and subscriber base.

The Company continuously assesses the needs of various service providers and is responsive to the above mentioned variables. The Company is also focusing on providing low-cost operations and maintenance services. In addition, the Company is continuosly identifying new business avenues to meet various needs of service providers.

There is a natural safeguard in the form of stringent regulatory framework on M&As in telecom sector in the form of three years lock-in since grant of license, market share of merged entity cannot exceed 40% in terms of both subscriber & revenues in any circle and 10% cross holding limit for telecom operators within same circle.

2) Mergers and Acquisition Risk

If the newly acquired companies are not integrated properly, we may not able to achieve the expected benefits from the acquisitions.

For expansion of services and geographical reach, the Company has acquired certain companies in the past. In new acquisitions there is a risk that these companies may not be integrated properly with us. In such a scenario not only will we lose upon the expected benefits from the acquisition but also face new risks like cultural risks, operational risks, systems risks and financial risks, which may ultimately affect our operations and profitability.

One of the reasons of an ineffective integration is improper assessment of the acquired company. Hence, the Company ensures implementation of a due diligence process, assesses the acquisition target as per risk appetite and accordingly implements the integration process after acquisition.

As of now, the Company has successfully integrated all the Companies it has acquired in the past.

3) International Project Risks

Political, Social or Economic conditions in a particular Country may impact our International Projects

As a strategic initiative, the Company has ventured/ venturing into select overseas markets. We have International Projects in 46 countries. Each country is unique and the early adoption to the local conditions shall be the key to the Company's success. Consolidated international revenues of GTL for FY 2009-10 was Rs. 747.15 Crs. and the same is expected to grow significantly in future.

The major challenges in conducting business internationally include:

- Changes in political, social and economic conditions, laws or regulations
- Staffing and managing operations with sufficient numbers of skilled personnel
- Employment laws and practices in different countries, including visa restrictions
- Different laws concerning the protection of intellectual property rights

- Country-specific tax legislation & administration
- Trade barriers and import / export licensing requirements
- Foreign exchange fluctuation risks
- Stringent compliance with the safety, health and environment regulations
- Restrictions, if any, on profit repatriation
- General law and order situation

Before entering into any new country, the Company conducts a Country Risk Assessment based on various key parameters and accordingly prepares strategies to take international projects which are within the risk appetite of the Company.

4) Business Concentration Risks

Loss of a large project/customer can significantly impact revenues.

Significant portion of our revenue is derived from limited number of large projects. The Company faces the challenge to replace such revenues with new projects. Its inability to replace the large projects upon completion could have a significant impact on its revenues.

Similarly, significant portion of our revenue is derived from limited number of large customers. If the Company's relationships with one or more of these customers are distorted, it may affect the future business prospects.

In view of the above risks the company is diversifying its customer base by adding new offerings to its current services portfolio & increasing the width & depth of its product line.

Decrease in demand of Network Deployment business can significantly impact revenues

The major portion of revenue is still coming from Network Deployment business. Decrease in demand from the Network Deployment business will not only impact our existing business but also impact our potential to achieve business in other revenue segments.

The Company strives to increase revenues from various business segments as well as meet needs of its customers.

5) Contractual Risks

We face the risk of liability from the Service Level Agreements with the Operators

We have Service Level Agreements with operators containing specific key performance parameters. In the event we not meeting these key performance parameters, we are liable to pay fixed penalties to the operators, which may reduce our profitability.

The Company aims to reduce variation in services through maintenance of various quality standards while implementing projects. The Company also has a full-fledged in-house quality assurance team.

6) Competition Risks

We face competition from other service providers

We operate in six segments of Network Services business i.e. Network Planning and Design, Network Deployment, Professional Services, Operation and Maintenance, Energy Management and Infrastructure Management. In each of these segments, we face competition from other service providers who offer services in one or more revenue segments.

We face competition from Telecom Operators and OEMs

Some telecom operators also have an expertise in servicing their own networks. Hence, they do not outsource these operations and there is loss of market share for the Company.

Similarly, there are OEMs who provide network services to Telecom Operators from whom we face competition.

We may face competition from own subcontractors

We face competition from own subcontractors and other unorganized players, who may be able to provide the services directly to the customer for the same or lower price.

The aforesaid competition is likely to have adverse influence on our market share and profitability. Intense competition may force us to agree to less favourable contract terms. If the Company is not able to compete effectively, our ability to attract and retain customers will be adversely affected, which will decrease our revenues and negatively affect our operating results.

The Company differentiates itself from others by positioning as a single window end to end solution provider. We also provide low cost quality services to Telecom Operators & OEMs thereby developing long-term partnership.

7) Project Risk

We may not be able to manage our projects at Budgeted Costs

It is very critical for the Company to execute large & complex projects within budgeted cost and schedule. Usually there are huge penalty/LD clauses in all contracts and hence any delayed delivery can take heavy toll on profitability. Delayed achievement of milestones means delayed collection and then consequent pressure on the working capital management.

In order to avoid delay in project execution, the Company has deployed the Project Management Software viz. PRIMAVERA which helps remote project tracking on a regular basis.

8) Supply Chain Risk

Supply Chain disruptions may effect our commitments to deliver effecting our operations

Disruption in our Supply Chain process may pose a risk to the project delivery leading to penalty for delays, increased overheads and loss of business.

Our continuous assessment of the supply chain deliverables ensures smooth flow of the policies laid. This created a path for implementing TL9000 standards to ensure effective management of the function and operational requirements.

9) Regulatory Risk

Government regulations can affect our business

Our business is mainly regulated by the Telecom Regulatory Authority of India (TRAI). In addition, we are also subject to other national and international regulations.

Changes in the regulation by TRAI or the Indian Government or other Governments may have impact on our revenues and profitability.

10) Manpower Risks

Our success depends upon our ability to retain the Key Management and other personnel

Our success will significantly depend on the expertise, experience and continued efforts of our key management and other personnel. Our future performance may be affected by any disruptions in the continued service of these persons. There is a dearth of managerial talent, including key managerial personnel, with related business experience. The loss of one or more our key managerial personnel may impact our ability to maintain growth in our business.

The Company strives to retain key management personnel by providing them with a continuous growth path, new challenges and have a proper rewarding system for accepting such challenges.

It has also initiated various talent management initiatives like Club Orion, Family Jewel, Business Partner and more recently GenNext.

11) Technology Risks

New technologies could make our services less desirable to potential operators and result in decreasing revenues.

Substantial portion of our growth will be derived from services related to new technologies. Any delay in the adoption and deployment of new technologies such as 3G would negatively affect the demand for our services and our ability to grow our revenues. Our inability to anticipate or adapt to changes in technology may harm our competitive position, reputation and opportunities for revenue growth.

In addition, the emergence of new technologies could reduce the need for tower-based broadcast services transmission and reception. The development and implementation of any of these and similar technologies to any significant degree could have an adverse effect on our operations.

The Company strives to identify new technology requirements and adapt to provide new technological services to its customers.

12) Financial Risks

Inability to collect receivables may impact revenues and operations of the company

Many of our customers face difficulties in obtaining financing to fund the expansion of their wireless networks, including deployments and upgrades, which may reduce demand for the services. If we are unable to collect receivables from such customers our operating results may be materially harmed. Our average collection period during FY 2009-10 was 82 days. Total receivables as on March 31, 2010 was Rs. 367.63 Crs.

The Company undertakes a special evaluation to recognize the financial stability of its existing & prospective clients considering clients credit rating, financial position, past experience & relevant factors.

Commodity Price Fluctuations can increase the cost of servicing and impact profitability

Most of the projects undertaken by the Company are in the nature of fixed price contracts. In long duration contracts, the Company is exposed to input price increase mainly in the areas of commodities like cement, steel, copper, etc.

The company vigilantly & continuously tracks the movement of key commodity prices to mitigate commodity risks.

GTL is subject to risk arising from adverse foreign exchange and interest rate fluctuations

The Company and its subsidiaries execute projects in 46 countries and thus has exposure in several currencies related to bank deposits, payment to suppliers, receivables, and loans e.g. ECB/Suppliers' credit. Fluctuations in currency exchange rates and interest rates are the potential risks in these transactions. The Company has used hedges, forex forward bookings, and interest rate swaps as part of its overall strategy to manage the level of exposure with following objectives:

a. To cover its import obligations

b. To reduce its interest cost on foreign currency borrowing

Part of our investments are subject to risk of diminution in value due to market fluctuations

The surplus funds of the Company are mainly invested in risk-free instruments. We also take limited positions in equities and equity related instruments that are subject to volatility in the stock markets. In the event that there is permanent diminution in the value of equity investments, it may impact our performance and business.

Investments are done only in the best rated securities. The Company has limited amount of investments which are within the risk appetite of the Company.

13) IT Security Risk

We will have to rely extensively on our IT systems to provide connectivity across our business functions through our software, hardware and network systems. Any failure in our IT systems or loss of connectivity or any loss of data arising from such failure can impact us adversely.

The Company implements Disaster Recovery Plans and has effective back up systems in place to ensure business continuity.

Conclusion

Any business has to be conducted not only in a profitable manner, but also in the right manner with all operational, ethical, legal, financial and other risks being accounted for. In the long run, this could well be the difference between businesses that survives and excels and those that fizzle out despite providing quality services.

INTERNAL CONTROL SYSTEM

The Company follows the COSO (Committee of Sponsoring Organization) model of Internal Control Framework and has designed Internal controls to provide compliance with the COSO standards.

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

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

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

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

Control Environment

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

Risk Assessment

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

Control Activities

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

Information and Communication

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

Monitoring

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

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

Internal Audit

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

- Understanding and assessing the risk
- Identifying areas for systems improvement and strengthening controls
- Ensuring optimum utilization of the resources of the Company
- Ensuring proper and timely identification of liabilities
- Ensuring compliance with internal and external guidelines and policies of the Company as well as the applicable statutory and regulatory requirements
- Safeguarding the assets of the Company
- Reviewing and ensuring adequacy of information systems security control
- Reviewing and ensuring adequacy, relevance, reliability and timeliness of management information system

The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all the significant areas of the Company's operations. The Internal audit department performs risk based audits, based on an internal audit plan, which is reviewed each year in consultation with statutory auditors and the Audit Committee. The Audit Committee reviews monthly Audit reports submitted by the Internal Auditors and tracks the implementation of corrective actions. The Internal Audit Department is well staffed with experienced members.

Some significant features of the Internal Control systems are:

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

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

Responsibility to the environment.

Green Business.

GTL's employees are actively involved in the company's environment management initiatives. We also offer energy management solutions that deliver reduced energy costs, reliable power conditions and options of alternate sources of energy for our customers.

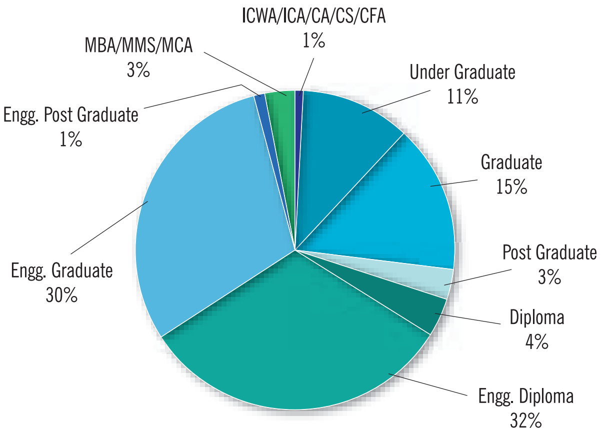
HUMAN RESOURCES

Inspired, talented, motivated are the words that best describe GTL & its people. For a Company powered by pace & innovation, our greatest strength remains the Human Capital and this power acts as a major driving force in the Company's performance. The Company believes that people are our core assets and their empowerment is the key to scalability and longevity. Respect, dignity, fairness and inclusiveness are essential to get the best out of employees. Therefore the primary objective of Human Resource (HR) function is to create a workplace where people's talent is recognised and to provide better opportunities to capitalise on these talents. HR over the years has taken appropriate steps to embed a culture that harnessess and nurtures talent.

As on March 31, 2010, 7,066 associates have been working for GTL Limited. The Company's recruitment practice ensures that suitable candidates are recruited and provided with the right opportunities to grow within the organization. Providing intensive training and development to the employees at all levels is the focal point of Human Resource Department so that they get to know the processes of the Company well and are ready take up new challenges.

The Company recruits professional and skilled manpower for conducting its business. The qualification wise break-up of employees is as shown below:

Employee distributed on basis of Qualification



Diverse talent resource

The Company continues to expand in multiple geographies and employing talent base across 22 different nationalities. The diverse workforce brings in multiple perspectives into the organisation. While leveraging on such diverse talent, creating a common culture, vision and objectives across the organisation is a challenge. It has been our endeavour to maintain a fine balance between different cultures and create one common approach.

GTL does not discriminate against any employee or applicant for employment because of race, color, religion, ethnic or national origin, gender, sexual preference, age, disability, or veteran status. This applies to recruitment, hiring, training, promotion, disciplinary practices and other terms and conditions of employment.

Employee Engagement

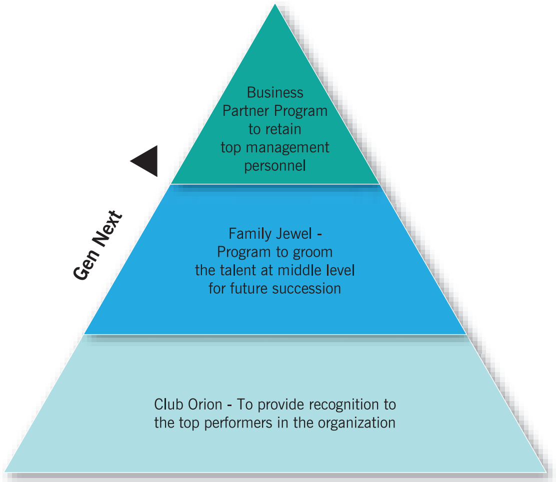
Transparency, accountability and effective communication are the principles on which the HR department has been built. HR works closely with the senior management of the Company to ensure that all the policies and procedures are disseminated to our biggest stakeholder i.e the employees of the organisation. The Company encourages employee participation through the following:

- An in-house e-magazine i-view for which the writeups are invited from employees and is used to inform all employees about the events in the Company in the previous month
- A comprehensive and exhaustive intranet Globali that houses all policies, procedures, initiatives and happenings
- Internal trainers have been appointed to encourage two way communication, learning and knowledge and skills sharing. When the need arises these trainers travel to various locations for conducting training programs and sharing practical knowledge
- Integration meets are held for acquired companies. This facilitates exchange of ideas, values & culture and also helps to build rapport with employees from GTL.
- E-mailers are sent to all employees from time to time informing them about the business changes, new joinees, change in key positions, mergers and acquisitions, achievements, annual and quarterly financial results, major business deals etc
- A monthly 2-day induction is held wherein heads of various departments address the new joinees about the business, culture, support areas and address queries from the new joinees
- There is a celebration kitty organized at all locations across India and Regional HR is the custodian of the same. This amount is to be utilized for get-togethers by way of dinner parties, picnics etc. This provides informal moments where team leaders and team members develop a bond.

Additionally the Company welcomes suggestions and ideas from the employees through ideas@gtl system. Idea boxes are placed at various locations in the office premises. This bridges the gap between levels and also between operations and support, thereby increasing employee participation in decision making and making it a better environment to work.

Talent Management

Given the dynamic nature of business environment, it is important to nurture the human capital for sustainable growth of the Company. GTL's talent management strategy is designed to give individuals recognition for performance, critical skills and potential as well as encourage retention of key employees. The talent management programs are formulated for employees at all level in the organisation.



The Development Pyramid

Inorder to enhance the competency of our human capital, HR ensures that proper learning and development happens at all levels for which proper strategy has been worked out. During the year, HR has arranged various training programs to facilitate managerial and business training requirements of the functions across the organisation. Inorder to build, nurture and enhance the competency capital of GTL, HR continually comes with customised training programs.

Break-up of Training Programs

FY 2009 - 10		
Program Area	**No. of programs**	**Mandays**
Leadership Programs (Incl. GenNext)	2	235
Management Development Program	3	470
General	35	601
Functional	52	1,052
Behavioral	60	1,165
Technical	150	4,500
Total	**302**	**8,023**

Note: General trainings include induction, seminar, conferences, health & safety trainings etc.

Club Orion – The fast track performers with potential and attitude to take on challenging assignments as future managers are enrolled in club named as Club Orion. Induction of members into Club Orion involves a stringent selection process considering the employees' performance, attitude and future potential to take on challenging roles. Performance Enhancement Action plans are chalked out for the selected Club Orion member that would provide them with the best of career development opportunities.

Family Jewel Program – The Program is intended to groom talent at the middle management level to take on leadership role for high growth of the Company. The members of Family Jewel program are also given certain perquisites apart from the other developmental interventions.

Business Partner Program – The objective of this program is to retain top management in GTL. Mentoring by senior members, driving the management intent, projects given during executive programs enhance the ability of the members to become future leaders. HR also focuses on crafting structured career progression plan for the Senior Management in terms of new leadership roles and ownership of the company through ESOPs.

Learning and Development

GTL believes in investing in the education and training of their employees. The Company continuously hires bright young talent from across the country. In order to align them with the Company's values and at the same time bring them at par with the required domain knowledge, exhaustive induction training is conducted. The Company also provides learning assistance to its employees who aspire to undertake higher education and has tie-ups for education programs with IIM Ahmedabad, ISB Hyderabad, Welingkar Institute of Management etc.

Project GenNext

The leadership capability of the management team has taken the Company to the next level. In order to maintain a robust leadership position and continue our journey it is essential to identity future leaders and provide them with proper training. Project GenNext facilitates the process of succession planning for key positions across the organization, identify future leaders for the group and provide them with a series of developmental interventions over a period of 18 – 24 months. This would enable the Global Group to build its leadership pipeline and prepare the Company for next trajectory of growth.

GTL has associated itself with HR consultant, Hewitt Associates to facilitate Project GenNext. The program is initiated with the objective

(1) Strengthening the top leadership through professional training

(2) Identifying the next generation leaders from existing talent pool

(3) Analysing the strengths and areas of improvement and training of Next generation leaders to bridge gaps in requirements of business.

The organization has a performance management system that is linked to the organizations core business objectives. The effectiveness and the performance of the senior leadership is measured by a composite index called the Leadership Effectiveness Score (LES), which we have introduced from this year onwards. The LES score would be used as an indicator to understand the capability of the senior management, address the gaps and also for succession planning.

Rewards & Recognition

Over the years the Company has been able to create a favourable work environment that motivates performance. Awards such as Spot Award and Quarterly Awards provide a platform to recognise performers and show appreciation.

GTL also organises an Annual Awards Ceremony. The Annual Awards recognise and reward all major achievements of employees in previous financial year.

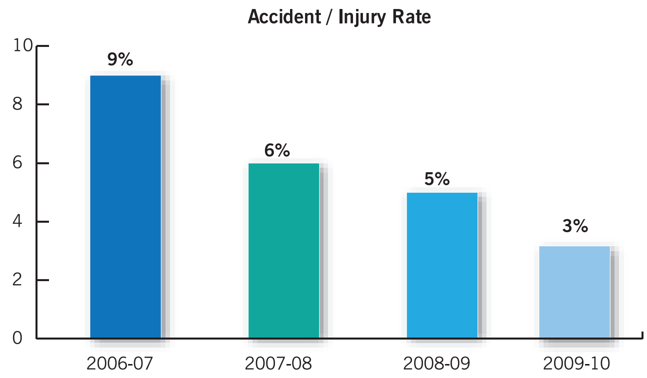
Benefits to the employees

GTL strives to provide the best for employees, be it the library, gymnasium or canteen facility, utmost care is taken to ensure a comparable working environment for its employees.

HR at GTL has also come up with employment scheme guidelines for children of the employees. Under this scheme jobs are offered to these children on merit basis as per requirement in the group companies and qualification and experience of the candidate.

Health and Safety

We continue to work in areas of employee welfare at work places for development, safety and health. GTL ensures that all the staff comply with the requirements of the country's health and safety even if they operating from international locations as well as local health and safety requirements. All work related hazards are identified and suitable and sufficient risk assessments are undertaken. The Company ensures that the staff have adequate levels of competency to complete their work tasks safely and wherever necessary employees are provided with appropriate health and safety training relevant to the hazards in their work. Our approach to occupational health and safety has reduced the accident rate in the company.



Employee Satisfaction Survey

GTL uses employee satisfaction survey to identify key factors affecting workforce engagement. The ESS consists of different parameters such as job satisfaction, work culture, work environment, motivation related factors, superior related factors, communication, employee trust etc. The survey is conducted across all GTL domestic and international locations and is open to consultants and contract employees as well.

The findings are analyzed separately and also in conjunction with the overall findings. All findings are discussed in depth with the top management. Action plans are developed on the basis of responses and suggestions received from employees and percolated down the line. This action plan is made separately for different demographic groups and locations. The Key measure of ESS process is the employee satisfaction score. The overall employee satisfaction level was 70%.

QUALITY AND PROCESSES

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

Our quality philosophy has resulted in achieving significant benefits like edge over competition, lowering cost of delivery and reduced project completion time. This would further lead to better business results, increase in market share and help achieve our vision of becoming the world's largest Network Services provider.

We have adopted holistic approach that affects and involve everyone – employees, customers, suppliers, shareholders and society.

The various initatives that were taken as part of the business excellence are depicted below.

Quality Initiatives at GTL

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

Business Excellence

We adopted IMC's Ramakrishna Bajaj Business Model based on Malcolm Baldrige Business excellence Framework in 2004 and CII – ITC's Business Sustainability Award Model in 2007. The adoption of these models has helped us to understand the systems and processes that have to be optimized for ensuring sustainable growth and excellence.

Our efforts were recognized and validated when GTL was awarded Ramakrishna Bajaj Performance Excellence Trophy in 2008-09 and Ramakrishna Bajaj Outstanding Achiever Trophy in 2009-10 for its exemplary performance in all aspects of Business Excellence. GTL was awarded Commendation Certificate for Strong Commitment towards Sustainability in 2009-10 by CII – ITC Centre of Sustainable Development.

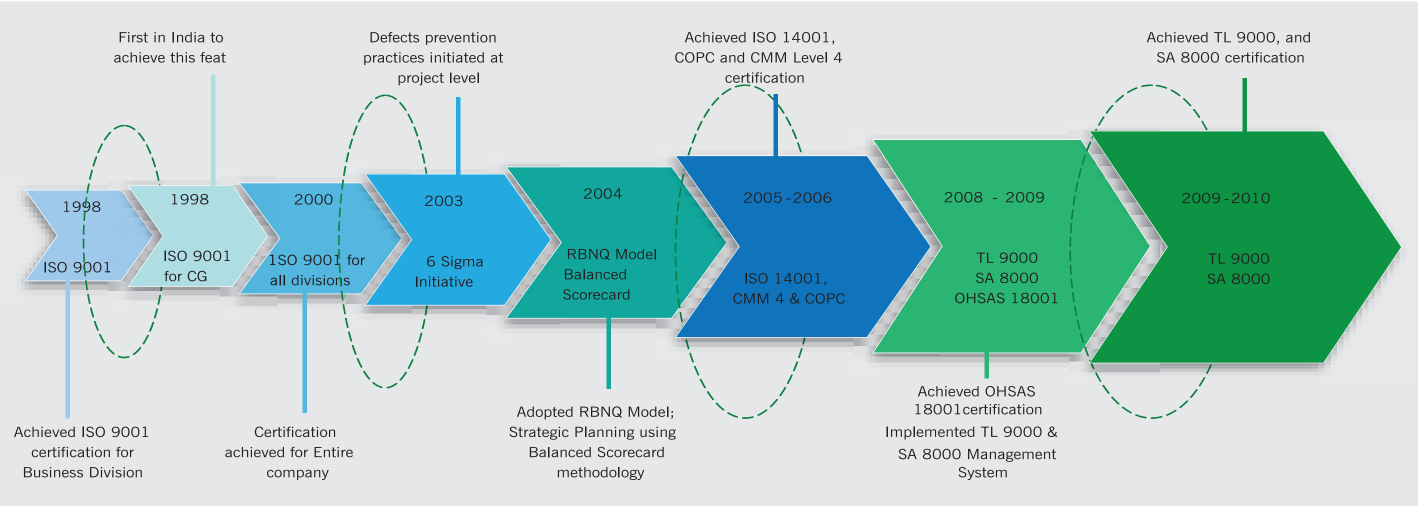
Process Excellence

Reinforcing its commitment to high levels of quality, best-in-class project management and robust service delivery practices, GTL attained a number of milestones during FY 2009-10.

- GTL achieved TL 9000 Release 4.0 (a telecom domain specific quality standard) certification
- GTL was recommended for continuation of the ISO 9001:2000 (Quality Management) certification
- GTL was recommended for continuation of the ISO 14001:2004 (Environment Management) certification
- GTL was recommended for continuation of the OHSAS 18001:2007 (Occupational Health & Safety Management) certification
- GTL achieved SA 8001:2008 (Social Accountability Management) certification

A successful enterprise-wide appraisal endorses the best in class deployment of the Business Management System which enables consistent delivery experience to GTL's, customers across the globe. It reiterates customers' expectations to experience a high degree of certainty in service delivery, as GTL stays focused on improving quality and processes constantly in an environment of rapid growth.

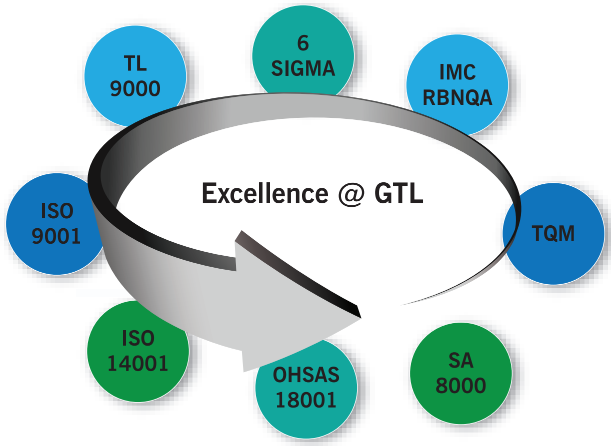
The above certifications are a testimony to GTL's commitment to achieve the highest standards of quality. The cornerstone of these



certifications is the in-house developed Business Management System, a vibrant, process-driven, people-oriented and customer-focused management system which is continuously evolving to cater to the requirements of the Company's varied business offerings. Further several management tools like Six Sigma, Problem Solving are practiced to optimize the processes. During the year 154 mandays of training on Quality Management was done

Operational Excellence

GTL's operational excellence is a result of implementing blend of Sustainability Initiatves. During the year 525 mandays of training related to Environment, Health & Safety and Social Accountability was done.



ISO 14001: 2004: GTL is an ISO 14001:2004 certified company. In the pursuit of Environment excellence GTL has reduced paper, electrical, diesel and water consumption substantially across all its offices and is complying with all rules and regulations.

OHSAS 18001: 2007: Health & Safety of its employees is of paramount importance for GTL. Hence the company introduced elements of Occupational Health & Safety Management standard in all its operational level processes across all the locations. Training and awareness on Safety at sites, offices and safe work practices is provided to all employees including contract employees and vendors.

SA 8000: 2008: We always believed that Social Accountability is an integrated approach towards operating in an economically, socially and environmentally sustainable manner. Hence we adopted SA 8000 standard and set up a Social Accountability Management system which got certified in July 2009 for its compliance to SA8000:2008. This recognition implies that GTL conducts its business keeping in view its accountability to society while respecting applicable laws and regard for welfare of employees & other stakeholders.

Driving Operational excellence and greening of Supply Chain

Apart from driving the business excellence initatives in GTL, we are driving the best practices within our supply chain, and are helping them to come up the curve.

The vendors are evaluated during registration based on their environmental performance.

Our quality engineers conduct audits of the sites and assess the compliance to the various laws by the vendor. We declare the site as best site if all customer contractual requirements, environmental & safety requirements are met. The engineers and the vendors are rewarded suitably. The revaluation of the vendors is done every six months and feedback on their environmental performance is given to them. If performance is poor they are issued warning to improve their performance and if poor performance is observed in next re-evaluation then the vendors are blacklisted.

We have not only established the incoming material inspection system and comprehensive evaluation system of suppliers, but also strengthened the mutual beneficial partner relationships with suppliers by implementing the following activities:

- Identifying and selecting the main suppliers, reducing the scale of supply system
- Investigating the requirements of customers and develop new product jointly with suppliers;
- Sharing information, technology, and resource with suppliers;
- Acknowledging the improvement and achievement of suppliers;
- Training for suppliers, sending quality teams to help suppliers improve their processes,

Through the above mentioned efforts, we have been able to work like partners with our vendors.

GTL received the 'Outstanding Achiever' trophy from Ramkrishna Bajaj National Quality Award Trust.

Caring for the community.

CSR at GTL.

GTL has made considerable investments in initiatives for the development and welfare of the rural communities. Our efforts, especially in health and education, have benefitted women and children in India's hinterlands.

CORPORATE SOCIAL RESPONSIBILITY

As per our CSR policy frame work and objectives we have developed a Social Accountability Management System based on SA8000:2001 standard. We comply to the requirements of Labour department, SA 8000:2001 standards and ILO Conventions. The applicable acts, rules and standards are complied and reported in OC (Operational Council) meet of the management.

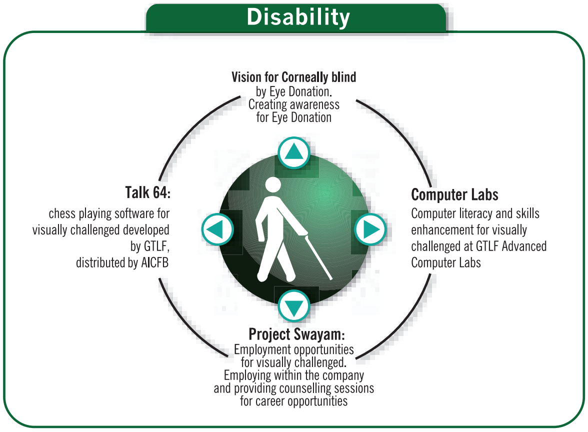
We evaluate our vendors based on SA 8000:2001 elements during registration. The revaluation is done every six months. We have approx. 2,700 vendor partners in India. The social issues are identified by CSR group and those issues having high risk are addressed by means of CSR projects channelised through GTL Foundation, a not for profit initiative of the Global Group that helps in community work.

GTL Foundation's main objectives are to help the community in the areas of health, support to the underprivilidged, education, disability and intervention in case of natural calamities.

We have adopted OHSAS 18001:2007 standard to ensure that employees get a safe and healthy work environment. Employees are updated about the Human Rights, company policies and Labour rules through an intranet portal named Globali.

Upto 2% of net profit is budgeted every year for CSR. GTL employees additionally contribute to social causes through "Payroll Giving" program and volunteerism.

Some of the social projects initiated by GTL through GTL Foundation are:



Project Netra – GTL Foundation provides computer literacy and personality enrichment training to visually challenged.

GTL has enhanced its efforts to make the world of the visually challenged better and integrate them with the mainstream.

For the livelihood development and enhanced employment opportunities GTL Foundation's Advanced Computer Center provides three types of courses for visually impaired – 3 months basic computer program, 1- year advance software program and 4 months hardware course.

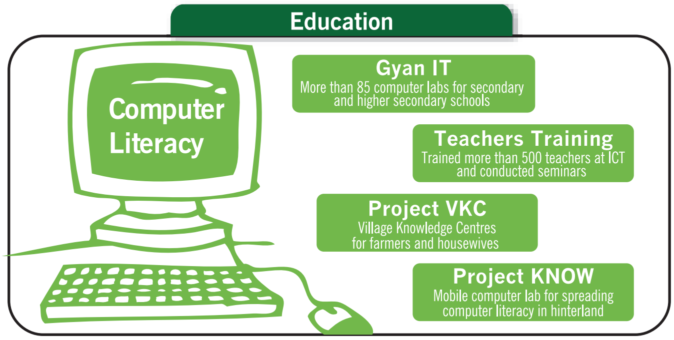
Courses	Target 2009-2010	Achievement in 2009-2010	Target 2010-2011
Basic	40 students	45 students passed	60 students
Advance	30 students	30 students passed	40 students
Hardware	12 students	13 students passed	20 students
Soft Skills Training	20 students	18 students trained	30 students

Project Swayam - Employment opportunities for Visually challenged:

8 visually challenged individuals are engaged as hardware engineers by taking contracts to repair computers. 12 visually impaired individuals got employment in various sectors. GTL Foundation has partnerd with Global Innovsource to assist the students in job placements.

- **Project Drishti:**

  GTL Foundation creates awareness for Eye donation through Mass media campaigns & posters displayed by its volunteers. EBRC a beneficiary Eye Bank has received enhanced number of enquiries for corneas as an impact of the awareness program Drishti.



Project Gyan IT – Static Computer Lab

At GTL we are executing O & M and Deployment contracts in rural India. As part of our engagement with the community we learnt that IT literacy is still far away from the rural population. Therefore we conceived and started project GYAN IT to spread computer literacy by training and infrastructure build up.

Initiative	Target 2009-10	Achievement in 2009-10	Target 2010-11
Infrastructure set up (Computer labs)	8 schools	8 schools	18 schools
Students benefited	4000 students	3873 students	6000 students
Computer Competition	60 schools	54 schools	80 schools
Number of participats in comp. competition	120 students & 60 teachers	112 students & 57 teachers	200 students & 100 teachers

Project KNOW (Knowledge on Wheels) – Mobile Computer Lab

Wherever setting up of IT infrastructure is not feasible the Foundation reaches out to the children through its mobile computer lab and qualified instructors under project KNOW.

Details	Target 2009-10	Achievement in 2009-10	Target 2010-11
Schools covered	10	10	14
Students benefited	300	314	400

Project VKC (Village Knowledge Center)

The project aims at IT literacy for village women, adults and their children in rural areas. VKC also provides livelihood skill training programs and conducts awareness on health issues.

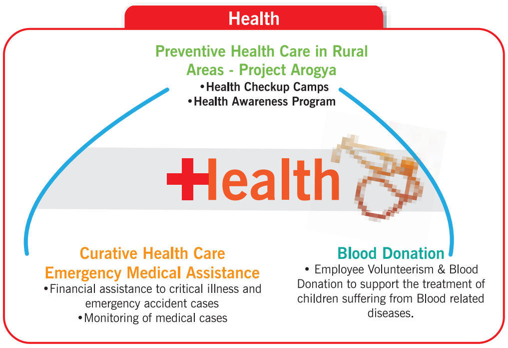
Details	Target 2009-10	Achievement in 2009-10	Target 2010-11
Number of VKCs	5	3	4
Women trained	400	326	500

Project Gyanjyot – Education Scholarship

Poverty leads to child labour as a child becomes the bread winner. With a view to ensure zero school dropout from low income group families GTL initiated Project Gyanjyot. It is a Scholarship program covering Jr.Kg. to Post Graduation and also supports working population who are looking at adding new qualifications.

Details	Target 2009-10	Achievement in 2009-10	Target 2010-11
Scholarships to Children	300	414	500
Scholarships for working students	100	144	200
Total	400	558	700

Health



Project Curative Health Care:

Emergency Medical Assistance and relief to low income and poor people suffering from life threatening disease, critical illness and fatal accidents. The scheme has benefited people with low income who otherwise cannot afford good treatment.

Details of support	Target 2009-10	No of people benefited in 2009-10	Target 2010-11
Critical illness cases	30	40	45
Emergency & Accident cases	10	10	15
Total	40	50	60

Project Arogya – Preventive Rural Health Mission

While executing our telecom projects in the rural areas we realized that local population face difficulties in accessing medical facilities. The foundation responded with a mobile health care van and conceived the project "Arogya".

Details	Target 2009-10	Achieved in 2009-10	Target 2010-11
Number of Health Check up Camps	20	26	36
Number of people benefited	4000	4892	6000

Other Initiatives

Employee Volunteerism

Way back in 2005, GTL launched Employee Volunteerism Program to encourage active participation in community work. GTL Employee Volunteers known as "Positrons" are the primary stakeholders of GTL Foundation and are entrusted to carry forward the community work.

Some of the noteworthy contributions of the positrons are:

- 60 volunteers participated in Mumbai Marathon 2010 & 30 volunteers in Delhi Marathon 2009
- In June 2009, 155 volunteers donated blood
- 445 Volunteerism Man-Hours were provided for the education development of children from AASRA a shelter home
- 720 Volunteerism Man-Hours were used in soft skill development program of visually impaired students

Details	Target 2009-2010	Achieved in 2009-2010	Target 2010-2011
Volunteerism Manhours	2000	3465	6000

Art of Giving (Payroll Giving Initiative)

Art of Giving is a voluntary pay roll giving initiative of GTL Foundation through which GTL employees make financial contribution for the long term sustainability of the projects.

Details	Target 2009-2010	Achieved in 2009-2010	Target 2010-2011
Number of new employees enrolled for payroll giving program	100	138	300
Total employees in payroll giving	450	534	800

Support to NGOs

- **AASARA Children's Home** – Support the Educational development program for 30 children.
- **All India Chess Federation for Blind:** For distribution of Talk 64 and sponsorship of National chess championship for the blind.
- **Amar Seva Sangh:** Sponsored computers for the disabled.
- **Eye Bank Co-ordination and Research Center:** Partner for Eye Donation Awareness campaign.
- **Gyanamrut Shikshan Mandal:** Support to 3 Non-formal school benefiting 100 tribal children.
- **Hamara Footpath:** Provided laptop to NGO Hamara Footpath to enable multimedia education for street children.
- **PASSAGES:** Support to NGO PASSAGE for generating awareness on breast cancer.
- **Shri Shanmukananda Fine Arts & Sangeeta Sabha:** Support to conduct 50 cataract operations for the underprivileged.
- **Stree Mukti Sanghatana:** Support the livelihood training of 50 adolescent girls.
- **The United Family Care Foundation:** Partnered for World Changers Employee Volunteerism Program and Soft Skills development Program.
- **Think Foundation:** Partnered for Blood Donation Camp.
- **Vidya Vardhini Foundation Trust:** Support to Vidya Vardhini Foundation that works with special children.
- **Vidya Vikas Mandal, Mumbai:** Support to Vidya Vikas Mandal school for development of educational infrastructure.

Note: GTL Foundation evalutes the performance of its projects through beneficiaries' feed back forms and focused group discussions. Some of the feedback that went into project initiation / improvement were:

Community	Project	Learning's implemented
Low Income Group Families	Gyan Jyot	- Need Assessment and Socio Economic survey – The Foundation has decided to include more number of low income group families. - Gyan Jyot also encourages meritorius children through scholorships.
Visually Challenged	Netra (GYAN IT)	- The Foundation revised the content of the computer course after getting feed back from the students. - Launched Soft skills and English language-training program to help them be employable. - Introduced hardware course for partially blind students.
Children	KNOW	- Revised curriculum and reach out to left out areas.
Children	Gyan IT	- The Foundation will replicate the projects in Thane and Raigad districts to spread IT literacy in rural areas of these districts.
Senior Citizens, Women, Children	Arogya	- The scope of the project has been expanded to include primary health check up of school children to help them over come sickness from waterborne diseases in rural areas. Waterborne disease is one of the main reason of dropout, absenteeism and low retention in primary schools.

ENVIRONMENTAL EXCELLENCE

GTL Limited is an energy conscious and an environment friendly business organisation. The Company has been taking various measures to achieve the target of continual sustainable development. The top management showcases our commitment towards the environment and sustainable development through our Integrated Health, Safety & Environment Policy and other policies adopted by the Company.

The main objectives of the policies are :

- To tap new business opportunities that help in the areas of energy conservation and reduction of carbon footprint
- To ensure optimum utilization of renewable and non-renewable resources
- To comply with all identified / applicable legal and other requirements to which the Company subscribes
- To ensure proper disposal of all wastes
- To carry out all our business activities in eco-friendly manner
- To demonstrate continual improvement in our operations and help our customers reduce their carbon footprint

We have put in a comprehensive Environment Management System (EMS) that guides us in achieving our objectives and goals.

GTL being a service provider has limited impact in terms of environmental pollution. We only consume natural resources to a limited extent and are not involved in processing or utilising hazardous material or polluting substances. As part of EMS GTL has adhered to the HSE management system based on ISO 14001:2004 and OHSAS 18001:2007 standards. GTL has a pool of certified ISO 14001:2004 auditors to drive the ISO 14001 initiative across the organization.

Highlights for the year 2009-10

1) Statutory & Voluntary Compliances

Through our EMS framework we ensure that we comply with all the laws of the land and provide for a work environment that eliminates accidents, occupational illnesses and injuries at work. We have demonstrated 100% compliance to environment regulatory in

2009-10. Guidelines from International conventions like Montreal Protocol and Kyoto Protocol are being followed in our operations.

2) Consumption of Natural Resources

Paper consumption has demonstrated a declining trend by approximately 5.1% in 2009-10. Owing to our nature of operations, GTL is an indirect energy consumer. The electricity consumption reduced by approximately 2.5% in 2009-10.

Water is considered a scarce resource and is utilised with utmost efficiency. Water Consumption has reduced by 6.5% per employee in 2009-10. This has been the cumulative result of awareness, controlling wastage and installing devices that use less water.

Reduction of consumption of natural resources for our customers and innovating new business offering under EMS

As an offshoot from the EMS, GTL developed green energy based solution for telecom towers under the Energy Management Solution. GTL's Energy Management services help in reducing Electricity and Diesel consumption expenses of telecom sites. The Energy Management Solutions harness wind/solar/free cooling and other solutions that reduce the electricity and diesel requirements. These solutions coupled with energy audits and reducing power losses, help the telecom customers reduce their power consumption, carbon emissions and carbon footprint. Through these efforts, our customers have been able to achieve upto 5.8% reduction in consumption of electricity at around 5900 sites. These efforts resulted in savings totalling Rs 21.39 Crs. for our clients.

3) Emissions, Effluents and Waste

GTL being a telecom service provider does not contribute significantly to the global E-waste scenario. However measures are taken to handle e-waste in a responsible manner. We are committed towards 100% environment friendly disposal of e-waste and so we give it to authorised E-waste recyclers. As a strategic approach only energy efficiency rated hardware is procured.

- Biodegradable waste is converted to manure through organic composting. This manure is utilised in our campuses or donated as part of our CSR activity
- Used oil and batteries are given to the CPCB authorised recyclers

Green House Gas Emission

GTL has carried out an aggressive greening program around the Corporate office vicinity. Over the years the company has planted more than 2000 trees. About 1800 sq. metres of land is covered by green foliage which besides making the campus green also acts as a carbon sink. GTL Foundation has also undertaken tree plantation activities at Hellen Keller institute for deaf and blind as part of its CSR activities.

Car Pool Portal

We have introduced a Carpool Portal to help our staff use lesser cars for commuting to office, thus reducing GHG emissions. Approximately 50 cars are being shared. PUC checking camps were also organised in FY 2009-10 for vehicles entering Mahape premises. The company adopts a policy of "NO PUC – NO ENTRY" for vehicles entering our registered office.

3) Awareness & Education

Training and awareness sessions at GTL are specifically designed to cater to the employees based on their role and interface with the probable health, safety and environment impact of our operations. GTL drives continuous awareness programs across various levels or geographies of the organisation. Health, Safety and Environment awareness/trainings are carried out through various forums like: Instructor led trainings & Web based trainings, Display of posters, Induction trainings, ISO 14001 initiatives training and certifications, Environment week celebrations etc.

Number of Mandays of training on HSE		
Year	**Mandays**	**Comparative increase in 2009-10 (%)**
2008-09	380	77.36%
2009-10	674	

4) Environment Achievements & Targets

Activity	Target 2009-10	Achievement 2009-10	Target 2010-11 (comparison with 2009-10)
Reduction in Electricity consumption	2%	2.5%	5%
Reduction in Water consumption	5%	6.5%	5%
Reduction in Paper consumption	5%	5.1%	5%
Reduction in Diesel consumption	10%	53.6%	5%
Environment Friendly E-waste Disposal	100%	100%	100%
Environment Responsible Printer Cartridge Disposal	100%	100%	100%
Increase Waste to Manure Conversion	Introduced in 2010-11 (in comparison with 2009-10)		10%
Reduction in Carbon Footprint			2%

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE AT GTL

We at GTL view Corporate Governance as one of the most important aspects of building a sustainable organization. We believe that following best Corporate Governance practices, maintaining transparency and disseminating maximum information to stakeholders is healthy to the Company and its stakeholders. Our Corporate Governance practices are constantly benchmarked and exceed the compliance requirements of various statutory rules and regulations. The Company is one of the pioneers in India to follow Corporate Governance practices, voluntarily adopting CII Recommendations on Corporate Governance since the FY 1997-98 and recommendations of Cadbury Committee and Blue Ribbon Committee since the FY 1999-2000 to the extent applicable. It started furnishing detailed information about corporate practices to its shareholders through the Annual Report since FY 1997-98 exhibiting transparency.

The Company has belief in principles and attributes of Corporate Governance practices for enhancing shareholder wealth. To adhere to these principles, the following initiatives were taken by the Company from time to time:

- Composition of Board of Directors with an appropriate mix / balance of Executive and Non-Executive Directors with right element of independence.
- Transparency and accountability.
- Compliance with applicable rules and regulations.
- Constitution of Operating Council headed by the Chief Operating Officer, participation by Business Heads, Sub Division Heads and Heads of support functions like Finance, Legal and Risk Management, Human Resources, Internal Audit for timely review of business operations.
- Proper systems of Risk Management and Internal Control.
- Timely flow of information to the Board and its Committees for enabling them to discharge their duties effectively.

For implementing Corporate Governance practices, GTL has framed policies as under:

- Code of Conduct for Directors and Senior Management.
- Policy on Prohibition of Insider Trading.
- Code of Ethics.
- Ethical Practices Policy.

The effective implementation of these policies enables the Company to follow Corporate Governance practices of high standard.

REPORT ON CORPORATE GOVERNANCE COMPLIANCE

In addition to complying with Clause 49 of the Listing Agreement of the Stock Exchanges in India on Corporate Governance, the Company has also been voluntarily adhering to the recommendations of:

i. Cadbury Committee

ii. Blue Ribbon Committee

iii. Confederation of Indian Industry (CII)

M/s Godbole Bhave & Co., Chartered Accountants and M/s Yeolekar & Associates, Chartered Accountants, Joint Auditors of the Company, carried out a review of compliance of above Corporate Governance practices adopted by the Company.

With a view to be brief on Corporate Governance reporting, while the compliance report in respect of Clause 49 has been published under this section of the Annual Report, the compliance report in respect of Cadbury Committee, Blue Ribbon Committee and CII requirements are displayed as a part of Annual Report on the Company's website www.gtllimited.com

REPORT OF COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES

As the Company is listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited, in terms of Clause 49 of the Listing Agreement of the Stock Exchanges (Clause 49), the Compliance Report on Corporate Governance (in the prescribed format) is given as under:

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

- Ensure that quantity, quality and frequency of financial and managerial information which is shared with the Board, fully places the Board members in control of the Company's affairs.
- Ensure that the Board exercises its fiduciary responsibilities towards stakeholders thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- The decision-making is transparent and documented through the minutes of the meetings of the Board / Committees thereof.
- Maximizing long term value of the stakeholders and the Company and to protect interest of minority shareholders.
- Ensure that core values of the Company are protected.
- Ensure that the Company positions itself from time to time to be at par with any other company of world class operating practices.

II. BOARD OF DIRECTORS:

➢ **Details of Directors:**

Name of Director	PD/ NPD *	ED/ NED/ ID*	Attendance in Board Meetings		Attendance in last AGM	Other Companies			
			Held	Attended		Board Directorship (including Chairmanship) **	Board Chairmanship **	Committee Membership (including Chairmanship) ***	Committee Chairmanship ***
Mr. Manoj Tirodkar	PD	ED	5	5	Present	2	1	1	1
Mr. Sadanand D. Patil	NPD	NED/ ID	5	5	Present	0	0	0	0
Prof. S.C. Sahasrabudhe	NPD	NED/ID	5	3	Absent	1	0	0	0
Mr. Dipak Poddar	NPD	NED/ ID	5	4	Absent	8	1	3	1
Mr. T.N.V. Ayyar	NPD	NED/ ID	5	1	Present	4	0	4	2
Mr. Vinod Sethi	NPD	NED/ ID	5	5	Present	11	1	9	1
Prof. S.B. Navathe	NPD	NED/ ID	5	1#	Absent	0	0	0	0
Mr. Charudatta Naik	NPD	ED	5	4	Present	2	0	0	0
Mr. Vijay Vij	NPD	NED/ ID	5	5	Present	1	0	1	0

Note: There are no inter-se relationships between our Board members.

* PD - Promoter Director; NPD - Non-Promoter Director; ED – Executive Director; NED – Non Executive Director; ID - Independent Director.

** In Indian Public Limited Companies.

*** In Audit and Shareholders' / Investors' Grievance Committees of Indian Public Limited Companies.

\# Prof. S.B. Navathe was granted leave of absence for the Board Meetings not attended by him on account of his occupation in USA.

➢ **Details of Board Meetings held during the year:**

Date of Board Meeting	22.04.09	22.07.09	27.10.09	14.01.10	29.01.10
Board Strength	9	9	9	9	9
No. of Directors Present	6	6	7	6	8

III. AUDIT COMMITTEE:

➢ **Terms of reference / Role:**

1. 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.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

5A. 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.

6. Reviewing with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems.
7. 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.

8. Discussion with Internal Auditors any significant findings and follow up thereon.
9. 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.
10. 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.
11. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.

12A Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.

13. Carrying out any other function as may be specifically referred to the Committee by the Board of Directors and / or other Committees of the Company.
14. To review periodically the report of executive management about controlling risk through means of a properly defined framework.
15. To review the financial statements, in particular, the investments made by the unlisted subsidiaries of the Company.
16. To review the following information:
    i) Management discussion and analysis of financial condition and results of operations;
    ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    iii) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
    iv) Internal audit reports relating to internal control weaknesses; and
    v) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

➢ **Composition of Audit Committee and Attendance of Members:**

Name of Director and position	Meetings/Attendance			
	22.04.09	22.07.09	27.10.09	29.01.10
Mr. Vijay Vij, Chairman	P	P	P	P
Mr. Dipak Poddar, Member	A	P	P	P
Mr. Vinod Sethi, Member	P	P	P	P

P-Present, A-Absent

IV. NOMINATION & REMUNERATION COMMITTEE (NRC):

Brief description of terms of reference:

- Frame the Company's policies on Board and Directors with the approval of the Board;
- Make recommendations to the Board in respect of appointment / re-appointment of Directors;
- Recommend the compensation payable to the Executive Directors;
- Approve promotions/salary revision of Members of Operating Council;
- Review of HR Policies/Initiatives & Senior Level Appointments;
- Administer and supervise Employees Stock Option Schemes including allotment of shares arising out of conversion of Employee Stock Option Scheme(s) or under any other employee compensation scheme;
- Frame suitable Policies and systems for implementation, take appropriate decisions and monitor implementation of the following Regulations:
    a. SEBI (Prohibition of Insider Trading) Regulations, 1992; and
    b. SEBI (Prohibition of Fraudulent and Unfair Trade practices relating to The Securities Market) Regulations, 1995.
- Perform such other functions consistent with regulatory requirements.

Composition of NRC and Attendance of Members:

Name of Director and Position	Meetings/Attendance								
	22.04.09	24.06.09	23.09.09	29.09.09	08.10.09	21.12.09	11.01.10	04.02.10	05.03.10
Mr. T.N.V. Ayyar, Chairman	P	P	P	P	P	P	P	P	P
Mr. Sadanand D. Patil, Member	P	P	P	P	P	P	P	P	P
Mr. Dipak Poddar, Member	A	P	P	P	P	A	P	P	P
Mr. Vinod Sethi, Member	P	P	P	P	P	P	P	P	P

P - Present, A - Absent

➢ **Remuneration Policy:** The Policy Dossier approved by the Board at its meeting held on April 22, 2009 contains compensation policy (criteria on making payments) for Directors, which has been posted on the website of the Company, *inter alia,* provides for the following:

➢ **Executive Directors:**

- Salary and commission not to exceed limits prescribed under the Companies Act, 1956.
- Remunerate from time to time depending upon the performance of the Company, Individual Director's performance and prevailing Industry norms.
- No sitting fees.
- No ESOPs for Promoter Directors.

➢ **Non-Executive Directors:**

- Eligible for commission based on time, efforts and output given by them.
- Sitting fees and commission not to exceed limits prescribed under the Companies Act, 1956.
- Eligible for ESOPs (other than Promoter Directors).

- **Details of remuneration to all the Directors during the year ended March 31, 2010:**

Name of Director	Salary (Rs.)	Provident Fund (Rs.)	Perquisites (Rs.)	Commis-sion (Rs.)	Performance linked bonus (along with Criteria) (Rs.)	Sitting fees (Rs.)	Total (Rs.)	Service Contract/ Notice period/ Severance fees/ Pension
Mr. Manoj Tirodkar	4,800,000	576,000	1,816,800	40,000,000	-	-	47,192,800	*
Mr. Sadanand D. Patil	-	-	-	4,200,000	-	200,000	4,400,000	Retirement by Rotation
Prof. S.C. Sahasrabudhe	-	-	-	75,000	-	30,000	105,000	Retirement by Rotation
Mr. Dipak Poddar	-	-	-	700,000	-	160,000	860,000	Retirement by Rotation
Mr. T.N.V. Ayyar	-	-	-	250,000	-	55,000	305,000	Retirement by Rotation
Mr. Vinod Sethi	-	-	-	500,000	-	125,000	625,000	Retirement by Rotation
Prof. S.B. Navathe	-	-	-	US$10,000	-	10,000	US$10,000 + Rs.10,000	Retirement by Rotation
Mr. Charudatta Naik	2,400,000	288,000	1,966,867	-	25,000,000 @	-	29,654,867	Retirement by Rotation **
Mr. Vijay Vij	-	-	-	1,200,000	-	70,000	12,70,000	Retirement by Rotation

* 5 years w.e.f. July 31, 2006 / notice period 3 months or 3 months salary in lieu of the notice / such sum which shall not exceed the remuneration for un-expired period of his appointment or 5 years whichever is less / N.A.

** 3 years w.e.f. October 1, 2007 / notice period 3 months or 3 months salary in lieu thereof / Nil / Nil.

@ Based on the performance and achievements evaluated by the Nomination & Remuneration Committee.

- **Details of ESOP Warrants allotted and converted:**

Name of Director	No. of Warrants allotted	Date of Allotment	Exercise Price (Rs.) (including Premium)	Warrants Con-verted
Mr. Sadanand D. Patil	25,000	03.08.99	100	25,000
	9,000	20.01.03	80	9,000
	9,000	27.02.04	80	9,000
	15,000	05.04.06	113	15,000
	100,000	05.10.06	134	100,000
	150,000	05.10.06	145	150,000
Prof. S. C. Sahasrabudhe	9,000	20.01.03	70*	9,000
	9,000	27.02.04	70*	9,000
	9,000	21.09.04	75*	9,000
Mr. Charudatta Naik	6,500	08.07.99	100	6,500
	10,000	03.08.99	100	10,000
	10,000	03.11.01	75*	10,000
	9,000	20.01.03	80	9,000
	12,000	27.02.04	80	12,000
	9,000	21.09.04	85 75*	7,000 2,000
	100,000	05.10.06	134	-
	150,000	05.10.06	145	1000
	250,000	18.04.07	140	-

Notes:

1. ESOP warrants are vested over a period of 1-4 years from the date of allotment of warrants. Upon vesting, warrants are exercisable within a period of 3 to 36 months (depending upon the Scheme) or such other higher period as may be determined by the Board from time to time.

2.* The Exercise Price in respect of ESOP-2001 and ESOP-2002 Schemes has been re-priced by reducing Rs.10/- per share as per the Special Resolution passed at the Extra-ordinary General Meeting held on April 5, 2006.

3. The commission / performance linked bonus to the Executive and Non-Executive Directors shall be paid out of a provision of Rs. 7.24 Crore made in the Books of Accounts.

4. The Company has taken on lease basis immovable property from Mr. Sadanand D. Patil and has paid Rs. 6.70 Lakh towards rent.

5. Mr. Sadanand D. Patil, Prof. S. C. Sahasrabudhe, Mr. Dipak Poddar and Mr. Charudatta Naik hold 250,000, 18,000, 68,500 and 1,000 equity shares respectively in the Company as on March 31, 2010.

6. Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Directors.

V. SHAREHOLDERS'/INVESTORS' GRIEVANCE AND SHARE TRANSFER COMMITTEE:

Composition of Committee

Name of Director	Position
Mr. Sadanand D. Patil	Chairman
Mr. Manoj G. Tirodkar	Member
Mr. Dipak Kumar Poddar	Member

- Name of Non-Executive Director heading the Committee: Mr. Sadanand. D. Patil
- Name and Designation of compliance officer: Mr. Vidyadhar A. Apte, Company Secretary
- Number of shareholders complaints received during 2009-10: 3
- Number not solved to the satisfaction of shareholders: NIL
- Number of pending complaints: NIL

VI. DETAILS OF GENERAL MEETINGS:

➢ **Location and time of GTL's last three Annual General Meetings with details of special resolutions passed:**

	2006-07	2007-08	2008-2009
Date	June 20, 2007	June 13, 2008	July 10, 2009
Time	10.30 A.M.	10.30 A.M.	10.30 A.M.
Venue	Vishnudas Bhave Natyagriha, Sector 16-A, Vashi, Navi Mumbai, 400703	Vishnudas Bhave Natyagriha, Sector 16-A, Vashi, Navi Mumbai, 400703	Vishnudas Bhave Natyagriha, Sector 16-A, Vashi, Navi Mumbai, 400703
Details of Special Resolutions passed	a. Further issue of Securities in Domestic / Overseas Market. b. Commencement of new business.	a. Further issue of Securities in Domestic / Overseas Market. b. ESOP 2008 Scheme c. Authority to recover Fringe Benefit Tax on ESOPs from employees. d. Payment of Commission to Non Executive Directors.	a. Amendment in Article nos. 123(b) and 168 respectively of the Articles of Association of the Company.

➢ **Special / Ordinary resolutions that were put through postal ballot last year; details of voting pattern:**

1. A special resolution U/s 372A of the Companies Act, 1956, for making investment or loan or giving guarantee or providing security in connection with a loan by banks / financial institutions / other entities to any entity / body corporate which is either a subsidiary / group / associate / vendor company, was passed through Postal Ballot. The Company received a total of 375 postal ballot forms. After weeding out 14 forms on technical grounds, out of total valid 361 postal ballot forms for 53,986,692 equity votes, 337 forms consisting of 53,971,771 equity votes representing 99.97 % of valid votes were in favor of the resolution. Accordingly, based on the report of the scrutinizer, the resolution was declared as passed as a special resolution on July 20, 2009.

2. A special resolution U/s 372A of the Companies Act, 1956, in partial modification of the special resolution passed by the shareholders through Postal Ballot on July 20, 2009 for making investment or loan or giving guarantee or providing security in connection with a loan by banks / financial institutions / other entities to any entity / body corporate as the Board may think fit *inter alia* in Global Rural Netco Limited (GRNL), GTL Infrastructure Limited (GIL), Chennai Network Infrastructure Limited / Special Purpose Vehicle (CNIL / SPV) was passed through Postal Ballot. The Company received a total of 1788 postal ballot forms. After weeding out 47 forms on technical grounds, out of total valid 1741 postal ballot forms for 72,327,593 equity votes, 1659 forms consisting of 72,306,156 equity votes representing 99.97 % of valid votes were in favor of the resolution. Accordingly, based on the report of the scrutinizer, the resolution was declared as passed as a special resolution on March 12, 2010.

3. Person who conducted the postal ballot exercise: Mr. Virendra G. Bhatt, Practicing Company Secretary.

➢ **Whether special resolutions are proposed to be conducted through postal ballot:**

No special resolution is proposed to be conducted through postal ballot.

➢ **The Procedure for postal ballot:**

Shall be conducted as per the provisions of the Companies Act, 1956 as and when situations arise.

➢ **Details of Extra-Ordinary General Meetings held in last three years:**

Sr. No.	Date	Time	Venue	Purpose
1.	July 5, 2007 (Date of announcement of result of Postal Ballot)	11.00 am	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400038.	a. Buyback of Equity shares of the Company. b. Sell, lease or otherwise dispose off the whole or substantially the whole of the IT Enabled Services Business including Enterprise Solutions division.
2.	March 25, 2009 (Date of announcement of result of Postal Ballot)	11.00 am	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400038.	a. Buyback of Equity shares of the Company.
3.	July 20, 2009 (Date of announcement of result of Postal Ballot)	11.00 am	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400038.	a. Power to the Board for making investment or loan or giving guarantee or providing security in connection with a loan by banks / financial institutions / other entities to any entity / body corporate which is either a subsidiary / group / associate / vendor company.

Sr. No.	Date	Time	Venue	Purpose
4.	March 12, 2010 (Date of announcement of result of Postal Ballot)	11.00 am	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400038.	Power to the Board for: i. making investment either directly or through a Trust in the securities of other bodies corporate as they may in their absolute discretion deem beneficial and in the interest of the Company; ii. granting loans to any body corporate on such terms and conditions as to repayment thereof and interest thereon; and iii. giving any guarantee or providing any security in connection with loans made by any banks / financial institutions / other entities to any entity / body corporate on such terms and conditions as the Board may think fit. *Inter-alia* in Global Rural Netco Limited (GRNL), GTL Infrastructure Limited (GIL), Chennai Network Infrastructure Limited / Special Purpose Vehicle (CNIL / SPV) formed for acquisition of Telecom Tower asset from Aircel.

VII. DISCLOSURES:

- Disclosure on materially significant related party transactions of the Company, that may have potential conflict with the interests of the Company at large:

  The necessary disclosures regarding the transactions with Related Parties are given in the notes to the Accounts. None of these transactions have potential conflict with the interest of the Company at large.

- Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets during the last three years:

  GTL has complied with the requirement of regulatory authorities on Capital Markets and no penalties / strictures have been imposed against it in the last three years, on any matter related to Capital Markets.

- Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:

  The Company has formulated Ethical Practices Policy in line with the Whistle Blower Policy which is a channel for receiving and redressing employees' complaints. The details are provided in the section titled compliance with non-mandatory requirements of this report. No personnel of the Company were denied access to the Audit Committee.

- Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements:

  Pursuant to sub-clause VII (2) of Clause 49, the Company confirms that it has complied with all mandatory requirements prescribed in Clause 49 of the Listing Agreement for the financial year 2009-10 as detailed herein under:

Particulars	Clause of Listing Agreement	Compliance status (Yes/No)
I. Board of Directors	**49 I**	
(A) Composition of Board	49(IA)	Yes
(B) Non-Executive Directors Compensation & disclosures	49(IB)	Yes
(C) Other provisions as to Board and Committees	49(IC)	Yes
(D) Code of Conduct	49(ID)	Yes
II. Audit Committee	**49(II)**	
(A) Qualified and Independent Audit Committee	49(IIA)	Yes
(B) Meeting of Audit Committee	49(IIB)	Yes
(C) Powers of Audit Committee	49(IIC)	Yes
(D) Role of Audit Committee	49(IID)	Yes
(E) Review of Information by Audit Committee	49(IIE)	Yes
III. Subsidiary Companies	**49(III)**	**Yes**
IV. Disclosures	**49(IV)**	
(A) Basis of related party Transactions	49(IVA)	Yes
(B) Disclosure of Accounting Treatment	49(IVB)	Yes
(C) Board Disclosures – Risk Management	49(IVC)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49(IVD)	Yes
(E) Remuneration of Directors	49(IVE)	Yes
(F) Management	49(IVF)	Yes
(G) Shareholders	49(IVG)	Yes
V. CEO/CFO Certification	**49(V)**	**Yes**
VI. Report on Corporate Governance	**49(VI)**	**Yes**
VII. Compliance	**49(VII)**	**Yes**

- **Non Mandatory requirements:**
- **The Board -**

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

  No policy has been fixed on tenure of Independent Directors.
- **Remuneration Committee -**

  The Company has constituted a Nomination and Remuneration Committee; full details are furnished under item no. IV of Clause 49 Report.
- **Shareholders Rights -**

  The half yearly / quarterly financial results ended September 30, 2009 were published in Economic Times and Maharashtra Times newspapers and were also displayed on the Company's website www.gtllimited.com and posted on the website www.corpfiling.co.in hence separately not circulated to the shareholders.
- **Training of Board Members -**

  After every quarter, the Company conducts Analyst Meet wherein Independent Directors are also invited. The Company gives insight of business strategy, business model, clientele, business prospects etc. This provides a good opportunity for the Directors to understand the Company's Business Model.
- **Mechanism for evaluating Non-Executive Board Members -**

  Broad guidelines are given in the Policy Dossier on functioning of the Board of Directors.
- **Whistle Blower Policy -**

  The Company has formulated Ethical Practices Policy in line with the Whistle Blower Policy and any employee, if he / she so desires, has free access to communicate committee members any matter of concern.

VIII. MEANS OF COMMUNICATION:

- **Quarterly Results**

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

  The Quarterly Results along with Notes were published in the Newspapers as under:

Newspapers	Date of publication of results for the Quarter ended			
	31.03.09	30.06.09	30.09.09	31.12.09
Economic Times / Free Press Journal	23.04.09	23.07.09	28.10.09	30.01.10
Maharashtra Times / Navshakti / Nav Bharat Times	23.04.09	23.07.09	28.10.09	30.01.10

- **Website where displayed**

  http://www.gtllimited.com
- **Whether it also displays official news releases**
  - The Company has made presentations to institutional investors, stock market analysts and news media. These were displayed on the website of the Company.
  - The Company's annual report also contains a detailed Management Discussion and Analysis Report on the Company's financial performance and operations.
  - The annual report, quarterly results, half yearly results, shareholding pattern are posted on the website www.corpfiling.co.in as per the requirements of Clause 52 of the Listing Agreement.

IX. GENERAL SHAREOWNER INFORMATION

1.	**Date, time and venue of the 22nd AGM**	Wednesday, July 21, 2010, 10:30 a.m. at Vishnudas Bhave Natyagriha, Sector 16-A, Vashi, Navi Mumbai 400703.	
2.	**Financial Calendar for F.Y.2010-2011**	**Quarter Ended**	**To be Published**
		First Quarter Results (Quarter ended 30.06.10)	On or before July 31, 2010
		Second Quarter Results (Quarter ended 30.09.10)	On or before October 31, 2010
		Third Quarter Results (Quarter ended 31.12.10)	On or before January 31, 2011
		Fourth Quarter Results (Quarter ended 31.03.11)	On or before April 30, 2011
3.	**Dates of book closure**	Tuesday, July 13, 2010 to Friday, July 16, 2010, both days inclusive.	
4.	**Dividend Payment**	On or after July 21, 2010, but within the statutory time limit of 30 days.	
5.	**Listing on Stock Exchanges**	Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE). Listing Fees for 2010-11:Paid for both the stock exchanges	
6.	**Stock Exchange Codes:**	**Stock Exchange / News Agency**	**Stock Code**
		BSE	500160
		NSE	GTL
		Reuters Code	GTL.BO & GTL.NS
		Bloomberg ticker	GTS:IN
		Equity ISIN	INE043A01012
		Non Convertible Debentures ISIN	
		Series I INE043A08017	946494
		Series II INE043A08025	946495
		Series III INE043A08033	946496
		Series IV INE043A08041	946521
		Series V INE043A08058	946522
		Series VI INE043A08066	946523

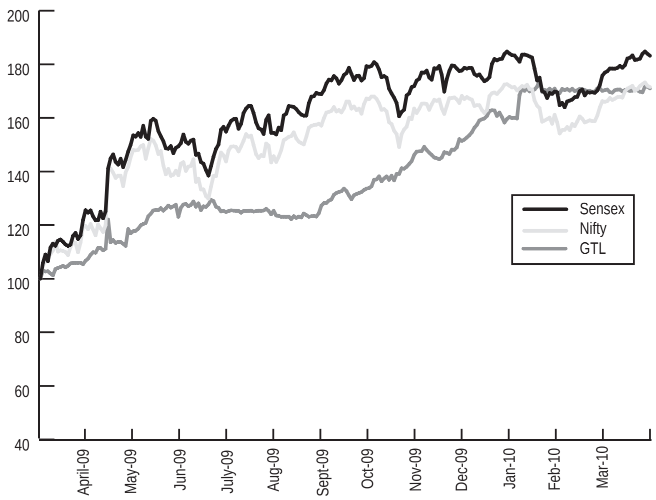
7. Stock Market Data

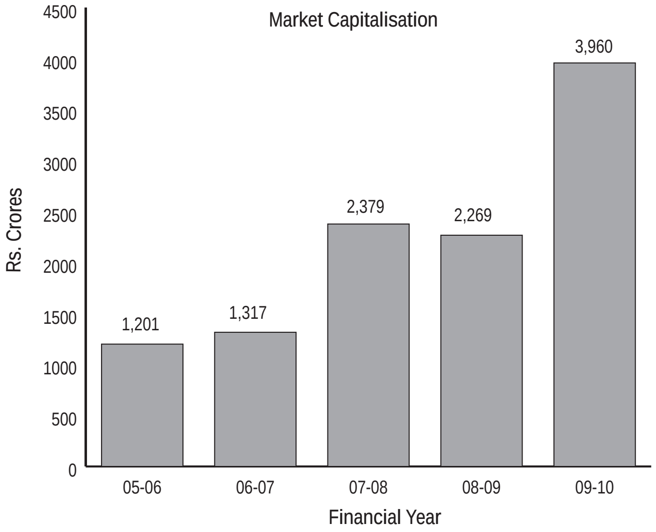
Monthly high and low of closing quotations and volume of shares traded on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) are given below.

Month	BSE			NSE		
	High(Rs.)	Low(Rs.)	Volume(Nos.)	High(Rs.)	Low(Rs.)	Volume(Nos.)
Apr-2009	253.90	238.80	565,972	253.80	239.45	1,931,221
May-2009	285.40	253.00	1,099,824	292.40	252.40	2,256,743
Jun-2009	305.80	281.95	947,775	306.20	281.85	3,065,905
Jul-2009	309.35	298.75	1,043,223	309.90	298.45	2,195,242
Aug-2009	301.75	293.10	772,191	301.85	292.65	1,251,263
Sep-2009	320.55	294.05	2,523,682	320.00	294.15	3,909,349
Oct-2009	333.15	310.50	1,087,781	333.00	310.40	2,656,580
Nov-2009	356.85	333.05	1,850,970	357.25	333.05	2,684,656
Dec-2009	389.90	350.75	2,742,211	390.00	350.85	4,014,995
Jan-2010	417.00	379.05	2,351,075	417.05	379.00	4,611,565
Feb-2010	409.45	405.15	1,082,143	409.50	405.30	2,049,535
Mar-2010	410.55	406.00	1,014,391	411.10	405.75	6,531,538

[Source: This information is compiled from the data available from the websites of BSE & NSE]

8. GTL's Share Performance in comparison to broad-based indices





9. Registrar and Share Transfer Agents

The In-house Investor Service Centre (ISC) of the Company provides share registration and all the other related services to its shareholders. The ISC has also established connectivity with both the Depositories in India, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

The ISC is registered with the Securities and Exchange Board of India (SEBI) as a Category II Share Transfer Agent (STA) vide Registration No. INR000003951 valid up to July 15, 2010.

The "Company Secretariat, Corporate Governance & Investor Services Centre" is accredited with ISO 9001:2000, certification.

10. Share transfers in physical form

As majority of shares of the Company are held in electronic (demat) form, requests for transfer of shares in physical form are negligible. However, majority of share transfer requests are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfers/ transmission etc. of the Company's securities to the Shareholders/ Investors Grievance and Share Transfer Committee of the Company, which meets regularly to approve the share transfers and other related work. A summary of transfer / transmission etc. of securities of the Company so approved by the said committee is placed quarterly at the Board Meetings. The Company obtains from a Company Secretary in Whole-time Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

The total number of physical shares transferred during the year under review were 6,180 (Previous year 10,759).

11. Distribution of Shareholding as on March 31, 2010.

A. Distribution of shares according to size of holding as on March 31, 2010

No. of Shares	No. of Shareowners	% of Shareowners	Share amount (Rupees)	% to Total
Upto 500	46,094	94.79%	41,959,570	4.34%
501 - 1000	1,343	2.76%	10,443,340	1.08%
1001 - 2000	562	1.15%	8,283,640	0.86%
2001 - 3000	176	0.36%	4,442,140	0.46%
3001 - 4000	91	0.19%	3,218,190	0.33%
4001 - 5000	57	0.12%	2,684,620	0.28%
5001 - 10000	96	0.20%	7,066,330	0.73%
10001 & ABOVE	207	0.43%	889,146,820	91.92%
TOTAL	**48,626**	**100.00%**	**967,244,650**	**100.00%**

B. Distribution of shares by categories of shareholders as on March 31, 2010

Category	Nos. of Shareowners	Nos. of Shares Held	Voting Strength
Promoters-Directors, their Relatives & Associates	6	46,449,727	48.02%
Other Directors, their Relatives	9	594,288	0.61%
Bodies Corporate (Domestic) / Trusts / Clearing Members	1,143	13,936,766	14.41%
Banks	9	163,651	0.17%
Mutual Funds	14	2,061,164	2.13%
Financial Institutions (FIs)	4	1,322,359	1.37%
Foreign Institutional Investors (FIIs)	47	15,039,225	15.55%
Non-Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign Banks	316	8,269,489	8.55%
Resident Individuals	47,078	8,887,796	9.19%
TOTAL:	**48,626**	**96,724,465**	**100.00%**

C. Top 10 Shareowners as on March 31, 2010

Name(s) of shareowners	Category (As per Depository)	Shares	%
Global Holding Corporation Pvt. Ltd. (Promoter Group)	Domestic Company	46,103,054	47.66%
SIF-Vulpes Strategic	Other Foreign Body	5,816,932	6.01%
Somerset India Fund	Foreign Institutional Investor (FII)	3,429,668	3.55%
Citigroup Global Markets Mauritius Pvt Ltd	Foreign Institutional Investor (FII)	2,515,000	2.60%
Rhodes Diversified	Foreign Institutional Investor (FII)	1,737,548	1.93%
	Other Foreign Body	126,978	
Reckon Trading Pvt Ltd	Domestic Company	1,765,467	1.83%
Mavi Investment Fund Ltd	Other Foreign Body	1,733,615	1.79%
Savyasachin Estates Limited	Domestic Company	1,699,798	1.76%
Barclays Capital Mauritius Limited	Foreign Institutional Investor (FII)	1,065,513	1.10%
Life Insurance Corporation Of India	Financial Institution	1,007,259	1.04%

12. Dematerialization of shares and liquidity

Trading in equity shares of the Company on the Stock Exchanges is permitted only in dematerialised form as per notification issued by SEBI. The shares of the Company are available for trading under both the Depository Systems in India – NSDL & CDSL. 99.55% of the Company's shares are held in dematerialised form as on March 31, 2010 (99.52% up to March 31, 2009).

The Company's equity shares are among the most liquid and actively traded shares on the BSE and NSE. Relevant data for the average daily traded volumes is provided in the Directors' Report under Capital Market Developments.

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

Employees' Stock Option Plans (ESOPs)

The details are furnished in the Directors' Report under the heading Employees' Stock Option Plans (ESOPs).

14. **Plant Locations:**

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

15. **Registered Office & Investor Service Centre (ISC)**

GTL Limited
"Global Vision"
Electronic Sadan No. II, MIDC,
TTC Industrial Area, Mahape,
Navi Mumbai 400710 MAHARASHTRA, INDIA

16. **Investor Correspondence**

All shareholders complaints/queries in respect of their shareholding may be addressed to the ISC at the Company's Registered Office.

Contact Persons:

Mr. Nagaraajan Iyer, General Manager, Investor Service Centre or
Mr. Divesh R. Sawant, Manager, Shares & Systems
Tel.: +91-22-27612929/27684111
Extn. Nos. 2232-2235 FAX: +91-22-27680171
Website: www.gtllimited.com

Email for Investor Grievance/s: gtlshares@gtllimited.com
Queries relating to financial statements, the Company's performance etc. may be addressed to:

Mr. Ashwin Kamat – AVP- Investor Relations
GTL Limited,
412, Janmabhoomi Chambers, 29, W.H. Marg, Ballard Estate,
Mumbai 400038
Tel: +91-22-22715000 (extn:308)
Fax: +91-22-22619649
Email: ir@gtllimited.com

17. **Investor services – complaints, queries and correspondence**

Particulars	Op. Bal. April 1, 2009	Received	Resolved	Cl. Bal. as on March 31, 2010
Complaints	Nil	3	3	Nil
Other Correspondence	Nil	1,263	1,263	Nil
Total	**Nil**	**1,266**	**1,266**	**Nil**

18. **Compliance Officer**

Mr. Vidyadhar A. Apte, Company Secretary, heading the Company Secretariat, Corporate Governance and Investor Service Centre of the Company, is the Compliance Officer under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and under Clause 47 of the Listing Agreement with Stock Exchanges.

19. **Legal Proceedings**

There are no proceedings pending against the Company that are material to affect adversely the profit or financial health of the Company.

As on 31st March, 2010, there were 26 cases against the Company, pending in various Courts and other Dispute Redressal Forums. In 11 out of 26 cases, the Company has been implicated as proforma defendant i.e. there is no monetary claim against the Company. In most of these cases dispute is concerning the matters like loss of share certificate, title claim/ownership/ transfer of the shares etc. The Company's implication in these matters is with a view to protect the interest of the lawful owners of the shares. Upon the final orders passed by the Court(s) the Company shall have to release the shares, which are presently under 'stop transfer', in this regard to the rightful claimants. There is no direct liability or adverse impact on the business of the Company on account of the said 11 cases.

In the balance 15 cases the contingent liability would be about Rs. 16,058,478/- These cases are handled by the Company's Advocates, who have the necessary expertise on the subject. It is found that in most of the cases the claims are frivolous and without any basis and therefore the Company is resisting and defending these claims.

20. **Statutory Compliance**

During the year under review, to the best of our knowledge and belief the Company has complied with all applicable provisions, filed all returns/ forms and furnished all relevant particulars as required under the Companies Act, 1956 and allied Acts and Rules, the Securities and Exchange Board of India (SEBI) Regulations and the Listing Agreements with the Stock Exchanges. The Company has voluntarily obtained a certificate of compliance from Mr. Virendra G. Bhatt, a Company Secretary in the whole time practice, certifying compliance of the provisions of various applicable regulations and the same is reproduced elsewhere in this annual report.

21. **Unpaid / unclaimed dividend**

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

The Company has issued reminders to all shareholders in respect of the Unclaimed / Unpaid Dividend for the F.Y. 2002-03 during March 2010. The Company has received 138 claims in response to the same and issued Demand Drafts in lieu of the unclaimed dividend. The Company also proposes to issue final reminder before crediting the balance Unclaimed Dividend Amount to the IEPF. A statement showing the year / month(s) in which unpaid / unclaimed dividend(s) are due for transfer to the IEPF is given below:

Particulars	Rate	Date of Declaration (AGM Date)	Date of Trf. To Unclaimed A/c	Due Date
Dividend 2002-2003	12.00%	July 30, 2003	August 31, 2003	August 30, 2010
Dividend 2003-2004	15.00%	September 16, 2004	October 21, 2004	October 20, 2011
Dividend 2004-2005	18.00%	September 27, 2005	October 28, 2005	October 27, 2012
Dividend 2005-2006	200.00%	September 27, 2006	October 31, 2006	October 30, 2013
Dividend 2006-2007	25.00%	June 20, 2007	July 26, 2007	July 25, 2014
Dividend 2007-2008	30.00%	June 13, 2008	July 18, 2008	July 17, 2015
Dividend 2008-2009	30.00%	July 10, 2009	August 14, 2009	August 13, 2016

22. Changes to Equity Share Capital during the year ended March 31, 2010:

Date	Particulars	Increase/(decrease) in Share Capital		Cumulative Share Capital (Rs.)
		No of Shares	Amount (Rs.)	
Opening Share Capital as on April 01, 2009		—	—	**947,231,530**
23-Sep-2009	Allotment of Shares consequent on exercise of right for conversion of ESOP	250,000	2,500,000	**949,731,530**
29-Sep-2009	Allotment of Shares consequent on exercise of right for conversion of ESOP	88,340	883,400	**950,614,930**
08-Oct-2009	Allotment of Shares consequent on exercise of right for conversion of ESOP	704,003	7,040,030	**957,654,960**
21-Dec-2009	Allotment of Shares consequent on exercise of right for conversion of ESOP	270,991	2,709,910	**960,364,870**
11-Jan-2010	Allotment of Shares consequent on exercise of right for conversion of ESOP	280,631	2,806,310	**963,171,180**
04-Feb-2010	Allotment of Shares consequent on exercise of right for conversion of ESOP	191,817	1,918,170	**965,089,350**
05-Mar-2010	Allotment of Shares consequent on exercise of right for conversion of ESOP	215,530	2,155,300	**967,244,650**
Share Capital as on March 31, 2010		—	—	**967,244,650**

23. Voting Rights

All shares issued by the Company carry equal voting rights. Generally, matters of the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member – One Vote". If majority of shareholders raise their hands in favour of a particular resolution, it is taken as passed, unless a poll is demanded.

The Chairman may order to take a poll on his own motion. Any member or members present in person or proxy and holding shares in the Company, which confer a power to vote on the resolution, can also demand Poll in respect of any resolution. Any member or members holding shares not less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up can demand a poll. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands. The person or persons who made the demand may withdraw the demand for poll at any time.

No poll has been demanded in any annual general meeting of the Company, till date

CERTIFICATE AND STATEMENTS

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of GTL Limited

We have examined the compliance of conditions of Corporate Governance by GTL Limited ("the Company"), for the year ended on March 31, 2010, as stipulated in Clause 49 of Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **GODBOLE BHAVE & Co.**
Chartered Accountants

A. S. Mahajan
Partner
Membership No.100483
FRN No. 114445W

For **YEOLEKAR & ASSOCIATES**
Chartered Accountants

S. S. Yeolekar
Partner
Membership No.36398
FRN No. 102489W

Mumbai
April 20, 2010.

STATEMENT OF DISCLOSURE BY THE AUDIT COMMITTEE TO THE SHAREOWNERS

To

The Shareowners

GTL Limited

In terms of the Recommendation Number 9 of the `Blue Ribbon Committee', we the members of the Audit Committee disclose in respect of the financial year ended March 31, 2010 that:

i) the management has reviewed the audited Financial Statements of the Company with the Audit Committee, including the discussion on the quality of the accounting principles as applied and significant judgments affecting the Company's Financial Statements;

ii) the Statutory Auditors have discussed with the Audit Committee, the Statutory Auditor's judgments on the quality of those principles as applied and the judgments referenced in (i) above under the circumstances;

iii) the members of the Audit Committee have discussed among themselves, without Management or the Statutory Auditors present, the information disclosed to the Audit Committee described in (i) and (ii) above; and

iv) the Audit Committee, in reliance on the review and the discussions conducted with Management and the Statutory Auditors pursuant to (i) and (ii) above, believes that the Company's Financial Statements are fairly presented in conformity with Indian Generally Accepted Accounting Principles (GAAP) in all material respects.

For and on behalf of Audit Committee
Vijay M. Vij
Chairman

Place: Mumbai
Date: April 20, 2010

REVIEW REPORT OF STATUTORY AUDITORS ON COMPLIANCE IN RESPECT OF RECOMMENDATIONS OF CADBURY COMMITTEE, BLUE RIBBON COMMITTEE AND COMMITTEE CONSTITUTED BY CONFEDERATION OF INDIAN INDUSTRY (CII) ON CORPORATE GOVERNANCE

To

The Board of Directors

GTL Limited

We have reviewed the Corporate Governance Report of the Company dated April 20, 2010, concerning the Company's compliance with: (1) the Code of Best Practice as contained in the Report of the Cadbury Committee on Financial Aspects of Corporate Governance (set up, interalia, by the Financial Reporting Council, London Stock Exchange), (2) the recommendations of the Blue Ribbon Committee (constituted by the New York Stock Exchange and the National Association of Securities Dealers) and (3) the recommendations of the committee constituted by the Confederation of Indian Industry (CII) on Corporate Governance, for the Financial Year beginning April 1, 2009 and ending on March 31, 2010, (herein after referred to as "FY 2009-10").

The objective of our review is to give our opinion on whether the Corporate Governance Report of the Company reflects on a fair basis the status of compliance by the Company with the recommendations of the above referred bodies.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanation given to us.

Based on such review, in our opinion, the Corporate Governance report of the Company, referred to above, reflects on a fair basis the status of the compliance by the Company with the Code of Best Practice of the Cadbury Committee, the recommendations of the Blue Ribbon Committee and the recommendations of the CII Committee relating to Corporate Governance, for the FY 2009-10.

For **GODBOLE BHAVE & Co.**
Chartered Accountants

A. S. Mahajan
Partner
Membership No.100483
FRN No. 114445W

For **YEOLEKAR & ASSOCIATES**
Chartered Accountants

S. S. Yeolekar
Partner
Membership No.36398
FRN No. 102489W

Mumbai
April 20, 2010.

CERTIFICATE OF STATUTORY AUDITORS REGARDING INDEPENDENCE

The Chairman,
Audit Committee,
GTL Limited
Navi Mumbai – 400 710

Dear Sir,

As per recommendation of Blue Ribbon Committee, constituted by New York Stock Exchange, (NYSE) and the National Association of Securities Dealers (NASD), we, Godbole Bhave & Co. Chartered Accountants, one of the Joint Auditors of GTL Limited, State that:

i. We subscribe to the policy of independence in all matters relating to our clients.

ii. We conduct our affairs to be impartial.

iii. We abide by the requirements relating to independence embodied under the provisions of Companies Act, 1956, Chartered Accountant Act, 1949 and other regulations of professional and regulatory bodies.

iv. In discharging our functions as Joint Auditors of GTL Limited:

  a. We don't have any conflict of interest and duty.

  b. We, the Auditors are not related to any of the Directors of the Company; and

  c. We, the Auditors, do not hold any securities of the Company having voting rights.

v. We shall inform the Audit Committee of any future relationship or service, which may impact our independence.

FOR GODBOLE BHAVE & CO.
CHARTERED ACCOUNTANTS

ARVIND MAHAJAN
PARTNER

Date: April 12, 2010

Place: Mumbai

CERTIFICATE OF STATUTORY AUDITORS REGARDING INDEPENDENCE

The Chairman,
Audit Committee,
GTL Limited,
Navi Mumbai – 400 710.

Dear Sir,

As per recommendation of Blue Ribbon Committee, constituted by the New York Stock Exchange (NYSE) and the National Association of Securities Dealers (NASD), we, Yeolekar & Associates, Chartered Accountants, one of the Joint Auditors of GTL Limited, state that:

- We subscribe to the policy of independence in all matters relating to our clients.
- We conduct our affairs to be impartial.
- We abide by the requirements relating to independence embodied under the provisions of Companies Act, 1956, Chartered Accountants Act, 1949 and other regulations of professionals and regulatory bodies.
- In discharging our functions as Joint Auditors of GTL Limited:
  - We don't have any conflict of interest and duty;
  - We, the Auditors, are not related to any of the Directors of the Company; and
  - We, the Auditors, do not hold any securities of the Company having voting rights.
- We shall inform the Audit Committee of any future relationship or service, which may impact our independence.

M/s. Yeolekar & Associates
Chartered Accountants

(S.S. Yeolekar)
Partner

Place : Mumbai
Date : April 20, 2010

COMPANY SECRETARY'S RESPONSIBILITY STATEMENT

The Board of Directors,

GTL Limited

This is to confirm that:

A. The Company has:

  a. Maintained all the Statutory Registers.

  b. Filed all forms and returns and furnished all necessary particulars to the Registrar of Companies and / or other Authorities as required under the Companies Act, 1956.

  c. Registered all the charges created in favour of financial institutions, banks and others with the Registrar of Companies.

  d. Issued all Notices required to be given for Board Meetings and General Meetings within the time limit prescribed by law.

  e. Conducted the Board Meetings and General Meetings as per the Companies Act, 1956.

  f. Effected share transfers and dispatched certificates within the time limit prescribed by various authorities.

  g. Not exceeded the borrowing powers.

  h. Paid dividend to the shareholders within the time limit prescribed and has also transferred the unclaimed dividends to the Central Government within the time limit from time to time.

B. No penalties or strictures have been imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to Capital Markets during the last three years.

C. The Company has also complied with the regulations prescribed by the Stock Exchanges, SEBI and other Statutory authorities and also the statutory requirements under the Companies Act, 1956.

Vidyadhar A. Apte
Company Secretary

Place: Navi Mumbai

Date: April 20, 2010

COMPANY SECRETARIAL COMPLIANCE CERTIFICATE

To

The Board of Directors

GTL Limited

Navi Mumbai

I have examined the registers, records, books and papers of GTL Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010 (Financial year 01/04/2009 to 31/03/2010). In our opinion and to the best of our information and according to the examinations carried out by me and explanations furnished to me by the Company, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and the returns with the Authorities prescribed under the Act and rules made there under.
3. The Board of Directors duly met five times in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed.
4. The Annual General Meeting for the financial year ended 31st March, 2009 was held on 10th July, 2009 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minute Book maintained for the purpose.
5. The Company has passed resolution u/s 372A in July 2009 thereby empowering the Board of Directors to make any Investment or make a loan or give any guarantee or provide security in connection with a loan made by banks/financial institutions/other entities to any entity/body corporate which is either a subsidiary/group/associate/vendor company for total amount not exceeding Rs.6,000 Crore or equivalent amount in any other foreign currency. The Company also passed a resolution u/s 372A in March 2010 thereby modifying the earlier resolution passed in July 2009, empowering the Board to make any investment or make a loan or give any guarantee or provide security in connection with loans made by any banks / financial institutions / other entities to any entity / body corporate inter-alia in Global Rural Netco Limited, GTL Infrastructure Limited, Chennai Network Infrastructure Limited / Special Purpose Vehicle formed for acquisition of telecom tower assets from Aircel for total amount not exceeding Rs.6000 Crore or equivalent amount in any other foreign currency and all the procedures with regard to scrutiny and presentation of the postal ballot report has been complied as per Section 192A of the Companies Act, 1956.
6. The Company had made Allotment of 2,001,312 Equity shares of Rs. 10/- each for cash at a premium on the conversion of warrants under the ESOP Scheme and issued 50,000 warrants under ESOP Scheme 2004

   The Company has issued 14,000 Rated Redeemable Unsecured Rupee Non- Convertible Debentures of face value of Rs. 10 Lacs each aggregating to Rs. 1,400 Crore on private placement basis.
7. The Company has delivered all the certificates on allotment of Securities and on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
8. The Board of Directors of the Company is duly constituted. The appointment of directors has been made in accordance with the provisions of the Act.
9. The Company has altered the provisions of Articles of Association but not altered the provisions of the Memorandum of Association .
10. The Company has constituted the Audit Committee required as per Section 292A of the Act.

Virendra G. Bhatt

Practising Company Secretary

ACS – 1157/CP-124

Place: MUMBAI

Date: 20/04/2010

CEO / CFO CERTIFICATION

To
The Board of Directors
GTL Limited
Navi Mumbai

We Manoj G. Tirodkar – Chairman & Managing Director and Milind Bapat– Sr. VP Finance of GTL Limited hereby certify that:

(a) We have reviewed Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2010 and that to the best of our knowledge and belief:

  i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee that:

  i. there have been no significant changes in internal control over financial reporting during the year;

  ii. there have been no significant changes in accounting policies during the year; and

  iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Manoj G. Tirodkar	**Milind Bapat**
Chairman & Managing Director	*Sr. VP Finance*

Place : Mumbai
Date : April 20, 2010

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR

Pursuant to the provisions of Clause 49 of the Listing Agreement, it is hereby declared that all the Board Members and Senior Management personnel of GTL Limited have affirmed compliance with the Code of Conduct for 'Directors and Senior Management' for the year ended March 31, 2010.

Manoj G. Tirodkar
Chairman & Managing Director

Date: April 20, 2010

Place: Mumbai

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

Prof. Shamkant B. Navathe, Director

Prof. Navathe was born on September 23, 1945. He has been a member of the Board since July 30, 2001.

He holds a Ph.D from the University of Michigan, USA and MS in Computer and Information Science from Ohio State University, Columbus and a BE in Electrical Communications Engineering from the Indian Institute of Science, Bangalore.

Currently a Professor at the College of Computing, Georgia Institute of Technology, Atlanta, he was earlier a Professor of Computer & Information Sciences at the University of Florida, Gainesville. He was also on the faculty at New York University's Graduate School of Business Administration. He has worked with IBM and Siemens in research divisions and has been a consultant to various companies, including Honeywell, Nixdorf, CCA, ADR, Digital, MCC, Harris, Equifax and Hewlett-Packard. He has co-authored the book ‘Fundamentals of Database Systems’ with R. Elmasri, (Edition 6, 2010) which is currently the leading database textbook worldwide. He also co-authored "Conceptual Database Design: An Entity-Relationship Approach" with Carlo Batini and Stefano Ceri in 1992. Dr. Navathe has over 150-refereed journal and conference publications. He is known for his research work on Database Modelling and Design, Data Conversion and Integration and Manufacturing and Bioinformatics applications.

He is a member of the Advisory Board of the International Institute of IT (I2IT), Pune and a Technical Advisor to Persistent Systems Limited, Pune.

He does not hold membership on any Board or Committees.

In GTL Limited, he does not hold membership in any of the Committees.

He does not hold any shares of the Company either through himself or through his relatives.

CHARTER OF AUDIT COMMITTEE OF BOARD OF DIRECTORS OF GTL LIMITED
(Published as per recommendations of the Blue Ribbon Committee on Corporate Governance)

1. **Objectives**

   The Audit Committee (Committee) shall

   i. Serve as an independent and objective body to monitor the Company's financial reporting process and Internal control systems.

   ii. Review and appraise the audit efforts of Company's Statutory Auditors and Internal Audit Department.

   iii. Provide an open avenue for communication among the Statutory Auditors, Financial and Senior Management, Internal Audit Department and the Board of Directors.

   iv. Discharge the legal and regulatory functions.

2. **Composition**

   i. Shall be comprised of minimum three Directors or more than three Directors as may be determined by the Board. Two thirds of the members of Audit Committee shall be independent Directors and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

   ii. A director who has any such relationship may be appointed to the Committee, if the Board, under exceptional and limited circumstances, determines that membership of the Committee by the individual is required in the best interest of the Company and its Shareholders and necessary disclosure is made to that effect.

   iii. All members of the Committee shall be financially literate i.e. to say the ability to read and understand basic financial statements viz. balance sheet, profit and loss account and statement of cash flows.

   iv. At least one member of the Committee shall have accounting or related financial management expertise. A member will be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting or requisite professional certification in accounting or any other comparable experience or background which results in the individual's financial sophistication including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibility.

   v. The Board shall elect the members of the Committee.

   vi. The members of the Committee shall elect a Chairman from amongst themselves, who shall be an independent Director.

3. **Meetings**

   i. The Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The Chairman & managing Director, Chief Financial Officer / Head - Finance, Head - Internal Audit and a representative of Statutory Auditors may be present as invitees for the Meetings of the Committees, as and when required by the Committee.

   ii. The Company Secretary shall act as the Secretary of the Committee.

   iii. The Quorum of the Committee shall be either two members or one third of the members of the Committee whichever is higher, but there should be a minimum of two independent members present.

   iv. The Chairman shall be present at every Annual General Meeting to answer the queries of the Shareholders.

4. **Powers**

   The Committee inter alia shall have the powers:

   i. To investigate any activity within its terms of reference

   ii. To seek information from any Employee.

   iii. To obtain outside legal or other professional advice.

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

5. **Role (As per Clause 49 of the Listing Agreement)**

   1. 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.

   2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

   3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

   4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

      a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.

      b. Changes, if any, in accounting policies and practices and reasons for the same.

      c. Major accounting entries involving estimates based on the exercise of judgment by management.

      d. Significant adjustments made in the financial statements arising out of audit findings.

e. Compliance with listing and other legal requirements relating to financial statements.

f. Disclosure of any related party transactions.

g. Qualifications in the draft audit report.

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

5A. 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.

6. Reviewing with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems.

7. 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.

8. Discussion with Internal Auditors any significant findings and follow up there on.

9. 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.

10. 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.

11. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.

12A. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.

13. Carrying out any other function as may be specifically referred to the Committee by the Board of Directors and / or other Committees of the Company.

14. To review periodically the report of executive management about controlling risk through means of a properly defined framework.

15. To review the financial statements, in particular, the investments made by the unlisted subsidiaries of the Company.

16. To review the following information:

i. Management discussion and analysis of financial condition and results of operations;

ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

iii. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;

iv. Internal audit reports relating to internal control weaknesses; and

v. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

6. Delegation

i. The Committee may delegate to one or more members of the Committee its authority for approval of the non-audit services to be provided by the statutory auditors and fixation of fee for the same.

ii. However the decisions taken shall be ratified at the scheduled meetings of the Committee.

7. Compensation

i. The Members of the Committee may be remunerated for the services rendered by them based on the time and efforts put in by them.

ii. The remuneration shall be fixed by the Board within the limits prescribed by the provisions of the Companies Act, 1956.

Directors' Report

To the Members,

Your Directors take pleasure in presenting their Twenty Second Annual Report together with the Audited Accounts for the year ended March 31, 2010.

1. FINANCIAL RESULTS

Rs. Cr.

Particulars	F.Y. 2009-10		F.Y. 2008-09	
	Consolidated	Standalone	Consolidated	Standalone
Total Income	2,239.26	1,553.43	1,948.01	1,452.68
Profit before Depreciation, Interest and Financial Charges (Net) and Tax (PBDIT)	341.66	267.69	296.64	243.72
Profit before Depreciation and Tax (PBDT)	305.24	244.67	222.39	174.53
Less: Depreciation	59.43	48.01	52.85	43.41
Profit before Tax and extra-ordinary items	245.81	196.66	169.54	131.12
Less: Provision for Taxation	40.62	39.33	23.99	21.35
Profit after Tax (PAT) before Extra-ordinary and Prior Period items	205.19	157.33	145.56	109.77
Less: Prior Period Items	0.89	1.03	(8.34)	(8.34)
Add / (Less): Extra-ordinary Item	NIL	NIL	(10.00)	(10.00)
Add: Minority Interest	0.08	N.A.	(0.21)	N.A.
Add: Share Profits in Associates	(0.08)	N.A.	3.51	N.A.
Add: Reserve on Consolidation	0.07	N.A.	(0.02)	N.A.
Add: Balance brought forward from the last year	463.07	196.21	377.82	150.01
Profit available for Appropriation	**669.22**	**354.57**	**508.32**	**241.45**
Appropriations:				
Recommended Equity dividend	29.93	29.93	28.42	28.42
Dividend Distribution Tax	5.09	5.09	4.83	4.83
Amount transferred to				
- General Reserve	20.00	20.00	12.00	12.00
- Debenture Redemption Reserve	51.16	51.16	NIL	NIL
Balance Carried Forward	563.04	248.39	463.07	196.21
Total of Appropriation and Balance C/F	**669.22**	**354.57**	**508.32**	**241.45**

In giving effect to the Accounting Standard 21 (AS 21) on Consolidated Financial Statements, brought out by the Institute of Chartered Accountants of India during the FY 2003-04, the Company has prepared its accounts on a consolidated basis.

The Associates, GTL Infrastructure Limited (GIL), Chennai Network Infrastructure Limited (CNIL) and Global Rural Netco Limited (GRNL) in which Company has significant influence, is accounted under the equity method in accordance with Accounting Standard on "Accounting for Investment in Associates in Consolidated Financial Statements" (AS 23). The financials are considered based on i) In respect of GIL for the nine months period ended December 31, 2009 ii) In respect of CNIL and GRNL for the year ended March 31, 2010.

2. RESULTS OF OPERATIONS AND BUSINESS OVERVIEW

The revenue for the financial year under review was Rs. 2,236.94 crores as against Rs. 1,945.09 crores for the previous financial year registering an increase of 15%. Revenue contribution from the domestic market grew by 7% due to increase in competition among telecom operators. However, international market excelled with 37% growth due to our increased recognition as a leading network service provider. The Company has presence in 46 countries and worked with over 70 cellular operators.

Other financial highlights for the year are as follows:

On a consolidated basis,

- Revenue increased by 15% to Rs. 2,236.94 Cr (US$ 478.80 Mn)
- Operating Profit increased by 15% to Rs. 341.66 Cr (US$ 73.13 Mn)
- Profit after tax without extra-ordinary item increased by 50% to Rs. 206.08 Cr (US$ 44.11 Mn)
- Order visibility as on March 31, 2010 stood at Rs. 4,223 Cr (US$ 938.23 Mn)
- The Board has recommended a dividend of Rs.3/- per equity share.

GTL is a leading Network Services company that addresses the Network Life-Cycle requirements of Telcos/Operators, Tower companies and Technology Providers (OEMs).

During the year, GTL strengthened its relationship with all major OEMs/ Operators and increased its level of engagement with them. Few of the major contracts entered into by GTL during the year are given below:

- GTL entered into energy management services contract with Aircel for a period of 6 years. The Service offerings will include energy management of 17,500 towers and incremental Aircel site rollouts through GTL Infrastructure Limited (GTL Infra).
- GTL also extended its network deployment capabilities into Power sector. During the year GTL executed orders worth Rs. 42 crores for MSEDCL (Maharashtra State Electricity Distribution Company Limited). At the end of FY 2009-10, the order book visibility for these services is in the range of around Rs. 427 crores. GTL also emerged as the top bidder for power distribution franchisee contract floated by MSEDCL to distribute power to most parts of Aurangabad.

Business Overview

During the year, GTL increased its operations in the Middle East & African countries. With this, GTL has now executed projects in more than 46 countries and helped build more than 70 wireless Networks across the world.

GTL continues to remain focused on innovations and operational excellence to adapt quickly to changing business requirements of the telecom operators and OEMs. As part of sustainability initiatives, the Company has focused on reducing the energy consumption and carbon footprint of the telecom industry. GTL aims to reduce the energy expenses by 15%-20% by deploying innovative Energy Management Solutions and use of clean and green energy on telecom sites.

Strategic Investment

GTL owns 33% equity of GTL Infra which has been continuously looking for inorganic growth opportunities both in the domestic and international markets and has entered into an agreement to purchase Aircel's tower asset business. The highlights of the transaction are as under:

- Purchase of 17,500 telecom towers;
- 21,000 active tenants on these towers;
- Enterprise Value of Rs. 8,400 Crore;
- Right of first refusal for additional 20,000 tenancies to GTL Infra over the next three years.

Aircel is one of the leading GSM operators in the country. GTL has a strong working relationship with Aircel and provides them services like network planning & design, network optimisation, network deployment and network operations and maintenance. In addition to the above mentioned services, there is opportunity to GTL for energy management business which may result into revenue of Rs. 8,500 crores over the period of next 5 years. The purchase of the Aircel tower business is not only expected to be a transformational transaction for GTL Infra but also significantly benefit GTL by building a strong partnership with one of the leading national operators in the country.

So far, GTL has invested Rs. 398.09 Crore in GTL Infra. This strategic investment has resulted into following benefits for our Shareholders:

<u>Revenue growth</u>

Since inception of GTL Infra in 2004-05, GTL has earned total revenue of Rs.2,924.15 Crore and net profit in excess of Rs. 200 crores. Thus GTL has already recouped more than 60% of its investments so far through the profit from the business done with GTL Infra.

<u>Growth in Investment value</u>

GTL has invested Rs. 398.09 Crore in GTL Infra. As on March 31, 2010 mark to market value of this investment is Rs. 1,254.19 Crore.

In view of the new order visibility of around Rs. 8,500 crores through purchase of Aircel Tower business, GTL has additionally invested Rs. 1,067.79 Crore towards the equity contribution of a Special Purpose Vehicle of GTL Infra for the acquisition of Aircel's Telecom Towers. GTL believes that the said investment will provide sufficient returns to our shareholders as has been demonstrated in the past.

3. UNLOCKING VALUE FOR THE SHAREHOLDERS

Buyback & Dividend:

a) Buyback of Equity Shares:

The Board of Directors of the Company in its meeting held on January 15, 2009 had recommended buyback of fully paid up equity shares of Rs.10/- (Rupees Ten Only) each at a maximum price of Rs. 260/- per share through open market route in accordance with the extant statutory provisions and subject to approvals from the Shareholders and Lenders. The Company obtained approval of the shareholders for the said buyback program by way of passing a Special Resolution through Postal Ballot, the result of which was declared on March 25, 2009.

With the improvement in the macro-economic conditions coupled with political stability in the country post announcement of results of general elections in May 2009, the stock market moved up considerably that led to trading of the Company's share price consistently above the maximum buyback price approved by the shareholders. Thus, the Board of Directors of the Company in its meeting held on July 22, 2009 had decided not to act on the enabling approval received from the shareholders for buyback of equity shares.

b) Dividend:

The Directors recommend a dividend of Rs. 3/- per share (30%) on the equity capital for the year ended March 31, 2010.

4. SHARE CAPITAL, NON-CONVERTIBLE DEBENTURES AND EMPLOYEE STOCK OPTION PLANS (ESOPs)

i. Equity:

The movement of Equity Capital due to allotment of shares consequent upon conversion of ESOPs is as under:

Particulars	No. of Equity Shares
Equity Capital as on March 31, 2009	94,723,153
Add: Allotment of Equity Shares on account of Conversion of ESOPs	2,001,312
Equity Capital as on March 31, 2010	**96,724,465**

ii. Preference:

During the year under review, the Company has not issued, allotted or redeemed any preference shares.

iii. Non-Convertible Debentures (NCDs):

During the year under review, the Company has privately placed 14,000 Rated Redeemable Unsecured Rupee Non-Convertible Debentures of the face value of Rs.10 Lakhs each aggregating Rs.1,400 Crore with reputed companies for meeting ongoing working capital and / or any capital expenditure (including acquisition / investment) requirements. These NCDs were issued in two issuances of Rs.700 Crore having 3 series each. Series I and IV will be redeemed at the end of 36 months from the date of allotment, series II and V will be redeemed at the end of 48 months from the date of allotment and series III and VI will be redeemed at the end of 60 months from the date of allotment. In terms of the issue documents, the Company has put option for each series of NCDs.

iv. Employee Stock Option Plans (ESOPs)

ESOP was introduced and implemented in FY 1998-99 to enable the employees of the Company to participate in the future growth and success of the Company. As on March 31, 2010 a total of 250 employees hold 3,038,980 stock options, allotted under various schemes. As required by Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the particulars of ESOPs are furnished in Annexure 'B' to this Report.

No. of outstanding ESOPs as on March 31, 2009	**5,133,733**
Add: Grants issued during the year	73,500
Less: No. of Options Exercised during the year	2,001,312
Less: Forfeited during the year	166,941
Total no. of outstanding ESOPs as on March 31, 2010	**3,038,980**

Assuming full conversion of options into equity shares to the eligible employees of the Company and its subsidiaries, the fully diluted equity capital of the Company would be as under:

Particulars	No. of Equity Shares
Equity Capital on March 31, 2010	96,724,465
Add : Full ESOP Conversion	3,038,980
Fully Diluted Equity Capital	**99,763,445**

5. CAPITAL MARKET DEVELOPMENTS:

Trading Group and Futures and Options (F&O) Segment

The Company's equity shares are listed with the Bombay Stock Exchange Limited (BSE) under the category 'Group A'. The Company's equity shares are listed with National Stock Exchange of India Limited (NSE) under the category 'CNX Midcap 200'. Effective December 29, 2006, the Company's equity shares were introduced in the 'Futures & Options Segment (F&O)'.

The Rated Redeemable Unsecured Rupee Non-Convertible Debentures privately placed by the Company are listed with BSE under the Debt Segment.

Average daily traded volumes

The average daily traded volume in the Company's shares on BSE and NSE was 70,005 and 152,289 shares respectively, in the year ended March 31, 2010 as against 128,687 and 210,090 shares respectively in the previous financial year.

6. FIXED DEPOSITS

There are no unclaimed deposits lying with the Company and during the year under review, the Company has not accepted any fresh fixed deposits from Public or from its Shareholders.

7. SUBSIDIARIES

a. In terms of the approval granted by the Ministry of Corporate Affairs, Government of India under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies have not been attached with the Balance Sheet of the Company. Financial Information of the subsidiary companies, as required by the said approval has been furnished separately in the Consolidated Balance Sheet in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and related detailed information to the Company's and the subsidiary companies investors, seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be kept open for inspection by any investor at the Registered Office of the Company and that of the respective subsidiary companies.

Further, pursuant to Accounting Standard 21 (AS 21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include financial information about its subsidiaries. The Company's revenue from its overseas subsidiaries for the year ended March 31, 2010, on a consolidated basis was Rs. 793.22 Cr. (US$ 169.78 Mn.)

b. GTL has given guarantees to its subsidiaries and affiliates in its normal course of business in India and abroad. The guarantees are given:

- for performance of its Subsidiaries, Associates and affiliates for business obligations;
- to enable its Subsidiaries & Associate companies to avail financial assistance.

The details of Guarantees outstanding (including for subsidiaries) as at March 31, 2010 & March 31, 2009 are as under:

Nature of Guarantees	As at March 31, 2010		As at March 31, 2009	
	Rs. Cr	US $ (Mn)	Rs. Cr	US $ (Mn)
Performance Guarantees	379.30	84.27	386.14	75.64
Financial Guarantees	210.00	46.66	185.00	36.24

8. CORPORATE GOVERNANCE

Apart from complying with Clause 49 of the Listing Agreement with the Stock Exchanges, GTL is also benchmarking itself against well established Corporate Governance Practices such as Blue Ribbon Committee, Cadbury Committee and Confederation of Indian Industry. A separate Corporate Governance Report on compliance with various recommendations, as reviewed and certified by M/s. Godbole Bhave & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants the Joint Auditors of the Company is given elsewhere in this Annual Report. The said section also includes the certificate of the Joint Auditors for compliance with Clause 49 of the Listing Agreement with the Stock Exchanges.

Given the emerging pivotal role of Independent Directors in bringing about good governance, your Company continues its efforts in optimum utilization of their expertise by providing them regular updates on the industry and business, inviting them to participate in analyst meets held every quarter and involving them in all critical decision making processes.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis on the Company's performance, industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable is attached to this Report.

10. HUMAN RESOURCES

The Human Resources function at GTL has made a paradigm shift from being a support function to a core and strategic business partner.

HR works with executives to clarify the business direction and performance expectations and actively contributes to deciding what strategies are required for managing talent to achieve business goals. Our Human Resource strategy is aimed at integrating HR processes to result in overall organizational effectiveness, which consequently fuels the business growth.

Human Resources embraces the philosophy that people are the foremost factor in the success of an organization and strive to develop a culture to place people in the organisation on priority. Our intention is to enhance all aspects of the 'employment experience', attract and retain quality manpower.

We have worked consciously at creating a work environment that is flexible, supportive and empowering. We believe in an environment that promotes performance, nurtures teamwork, strengthens quality consciousness, encourages transparency and facilitates professional growth.

We believe in an achievement – oriented culture, as culture is the blue print that drives the organization initiatives. GTL leadership spends immense time in terms of building a healthy, participative and competitive culture that provides opportunities to its young work force purely based on merit and driven by performance.

Our HR strategy aims at attracting, retaining and developing talent in the organisation and continuously providing a sense of fulfillment to each employee.

Our associate base grew from 5,947 as on March 31, 2009 to 7,066 as on March 31, 2010.

For full details refer to the Human Resources write up in the MD&A Report.

11. AWARDS

In the Financial Year 2009-10 GTL received many prestigious awards, a brief of which is stated below:

	Awards won
1	GTL wins the Indian Merchant Chambers (IMC) RBNQA "Outstanding Achievement Trophy" in the service category from RamKrishna Bajaj National Quality Award Trust. GTL was chosen for the award for its integrated model to deliver services in each segment of the network services value chain.
2	GTL features in Standard & Poor's Environment, Society and Governance (ESG) India Index for 3 years in a row.
3	GTL received the "Greentech Environment Excellence Award 2009 and 2008" in the infrastructure sector for outstanding achievement in environment management.
4	GTL has been named as "No.1 Telecom Turnkey Company of the year" for FY 2007-08 and 2008-09 for the leadership in offering Network Services by Voice & Data.
5	GTL received the "Certificate for strong Commitment" from CII-ITC Center of Excellence for Sustainable Development, for its initiatives on Sustainability and Energy Management.
6	GTL received the 'Amity HR Excellence' award for its initiatives in the HR management.
7	"Global Engineering Partner" Award - Huawei Technologies Co. Ltd.

12. LIQUIDITY

As on March 31, 2010, GTL had liquid assets (including quoted investments) of Rs. 1,944.57 Cr. as against Rs. 1,375.28 Cr. in the previous year. These represented investments worth Rs. 370.77 Cr. (net of share of associates); cash and bank balances of Rs. 1,573.80 Cr. maintained by your Company in current, margin fixed deposit accounts. The Board has recommended a dividend of Rs.3/- per share subject to the shareholders' approval. The aggregate of Dividend and Tax thereon will result into distribution of Rs.35.02 Cr. to the shareholders for the year March 31, 2010.

The amount of liquid assets stated above excludes our mark to market value of investment in GTL Infrastructure Limited, which is quoted at Rs.1,254.19 Cr. as on March 31, 2010 as against original investments of Rs. 398.09 Cr., which has been considered in the liquid assets.

13. RISKS

A separate section on risks and their management is provided as a part of this Annual Report. It is important for shareholders and investors to be aware of the risks that are inherent in the Company's businesses. The major risks faced by your Company have been outlined in this section to allow shareholders and prospective investors to take an independent view. We strongly urge Shareowners/ Investors to read and analyze these risks before investing in the Company.

14. SOCIAL COMMITMENTS

The Company continued, during the year under review, to contribute towards social causes as described in the MD&A Report under the caption 'Corporate Social Responsibility'.

15. DIRECTORS

Mr. T. N. V. Ayyar and Prof. Shamkant B. Navathe, Directors retire by rotation at the forthcoming Annual General Meeting and Prof. Navathe being eligible offers himself for re-appointment. Mr. Ayyar is associated with the Company in his capacity as an Independent Director since April 2000. He has conveyed that he would like to devote considerable time in non-profit/charitable causes and thus expressed his desire not to seek re-appointment. The Board places on record its deep appreciation and respect for the valuable advice and guidance received from Mr. Ayyar during his tenure as a Director of the Company.

The background of the Director proposed for reappointment is given under the Corporate Governance section of the Annual Report.

16. PROMOTER GROUP

The Company is a part of Global Group of Companies which is promoted by Mr. Manoj. G. Tirodkar. The promoter group holding in the Company currently is 48.02% of the Company's Equity Capital. The members may note that Global Group inter-alia comprises of the following persons / entities: (1) Mr. Manoj. G. Tirodkar and his relatives as defined under the Companies Act, 1956, (2) Global Holding Corporation Pvt. Ltd. (3) GAH International PTE Limited (4) GHC International Limited.

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

a. Conservation of Energy:

As the Company is engaged in Network Services and has no activity pertaining to manufacturing, furnishing of details on conservation of energy is not applicable. However, the Company is working towards incorporating energy management solutions while it carries out the deployment and maintenance of the cell sites. The Company has carried out energy audits to optimize energy consumption in its office premises. The Company continues to invest in research and development towards green energy for towers.

b) Technology Absorption:

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in respect of technology absorption are set out in the Annexure 'A' to this Report.

c) Foreign Exchange Earnings & Outgo:

During the year under review the Company earned foreign exchange of Rs. 62.58 Cr. out of which the Company earned a dividend of Rs. 10.75 Cr. from all its overseas subsidiaries the details of which are appearing in the Note No. 14 of the Notes to the Accounts. The particulars regarding foreign exchange expenditure of Rs. 36.10 Cr. during the year are appearing in Note No. 15 of the Notes to the Accounts.

18. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, names and other particulars of the employees are required to be set out in an annexure to this Report. However, in terms of the Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office. None of the employees listed in the said annexure are related to any Director of the Company.

19. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956, we, the Directors of GTL Limited, in respect of the year ended March 31, 2010, state that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. The Directors have 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 profit of the Company for that period;

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The Directors have prepared the annual accounts on a going concern basis.

20. AUDITORS

M/s Godbole Bhave & Co., Chartered Accountants, Mumbai and M/s Yeolekar & Associates, Chartered Accountants, Mumbai, were appointed as Joint Auditors at the Twenty First Annual General Meeting to hold office from conclusion of the said meeting till the conclusion of the next Annual General Meeting. The Company has received the necessary certificate from the Joint Auditors respectively pursuant to Section 224 (1B) of the Companies Act, 1956 regarding their eligibility for re-appointment. Accordingly, approval of members to the appointment of M/s. Godbole Bhave & Co., Chartered Accountants, Mumbai and M/s Yeolekar & Associates, Chartered Accountants, Mumbai, as Joint Auditors of the Company is being sought at the ensuing Annual General Meeting.

21. SPECIAL BUSINESS

As regards the items of the Notice of the Annual General Meeting relating to Special Business, the Resolutions incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approval of members to those proposals. Members' attention is drawn to these items and Explanatory Statement annexed to the Notice.

22. GENERAL

Notes forming part of the Accounts are self-explanatory.

23. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the clients, vendors, bankers, financial institutions, investors, media and both the Central and State Governments and their Agencies and look forward to their continued support. Your Directors also thank the employees at all levels, who through their dedication, co-operation and support, have enabled the Company to achieve sustained growth.

On behalf of the Board of Directors,

Manoj G. Tirodkar
Chairman & Managing Director

Mumbai
April 20, 2010

Annexure 'A' to Directors' Report
FORM B
(See rule 2)

Form for disclosure of particulars with respect to absorption.

1. Specific areas in which R&D carried out by the Company :
   - Development and Testing of Energy Management solutions to enhance energy conservation through Free Cooling Methods and Fuel Optimizing technologies
   - Remote Monitoring methodology and architecture for fault diagnostics and rectification of device failure in Telecom Tower sites through alarms and MIS management solutions
   - Enhancement of Centralized Network Operations Center (NOC) to fully support the active and passive Infrastructure of customers
   - R&D efforts to optimize the energy consumption in cell sites by hybrid free cooling and air-conditioning systems.
   - Testing of Battery Storage solutions with enhanced storage capability, deep discharge and lower charge cycle
2. Benefits derived as a result of the above R&D :
   a. Free Cooling and Fuel Optimizing technologies have enhanced efficiency of operations and reduced the DG run time at locations where implemented
   b. Internal productivity improvements and increased customer SLA compliance
   c. Enhanced ability to handle field failures for customers reducing the average down time
   d. Better use of alternative energy storage technologies to improve energy utilization at telecom sites
3. Future plan of action
   a. Enhance remote management of Telecom infrastructure for fault diagnostics, rectification and Energy Management through an Integrated NOC
   b. Evaluate , test and engage in new technologies for renewable energy sources to further reduce the carbon foot print of telecom infrastructure based on efficiency increase, adoption of technology based on site specific criteria and climatic conditions
   c. Contribute in CDM (Clean Development Mechanism) and explore possibilities to initiate energy-efficiency endeavors and secure carbon credits.
4. Expenditure on R&D

a.	Capital :	: Rs. 575,710,226/-
b.	Recurring	: Rs. 12,495,830/-
c.	Total	: Rs. 588,206,056/-
d.	Total R&D Expenditure as a percentage of total turnover	: 3.79%

Technology absorption, adaptation and innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation.
   a. Significant efforts have been taken by the Company to increase the availability, reliability and security of our key processes and systems.
   b. Centre of Excellence for Wi-Max and 3G are fully operational to serve the forthcoming rollout of these technologies in India.
   c. Virtual Planning and Optimisation Centre to leverage On site and Off shore technical capabilities in designing and optimizing RF networks
   d. Leadership Development program to align current and future leaders to business strategy, market focus and customer expectations
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. :
   As mentioned in points 1 and 2 above.
3. In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished. : Not applicable
   a. Technology imported
   b. Year of import
   c. Has technology been fully absorbed?
   If not fully absorbed, the areas where this has not taken place, reasons thereof and future plan of action.

On behalf of the Board of Directors,

Mumbai

Manoj G. Tirodkar

April 20, 2010

Chairman & Managing Director

Annexure 'B' to Directors' Report
EMPLOYEE STOCK OPTION PLANS (ESOPs)

a) ESOP 2001

The Company obtained approval of the shareholders at the 13th AGM held on July 30, 2001, for allocation of 1,500,000 warrants to employees of the Company and 1,000,000 warrants to employees of its subsidiaries at an exercise price, at a discount upto 25% of the closing market price of the Company's shares on the National Stock Exchange of India Ltd. (NSE) on the previous trading day of the date of allotment of warrants.

b) ESOP 2002

The Company obtained further approval of the shareholders at the 14th AGM held on July 25, 2002, for allocation of 3,000,000 warrants to employees of the Company and similarly 1,000,000 warrants to employees of it's subsidiaries at an exercise price, at a discount up to 25% of the Average Price of the weekly high and low of the closing prices of the Company's shares on the NSE, for the preceding six months of the month in which the Warrants are allotted.

c) ESOP 2004

The Company obtained further approval of the shareholders at the 16th AGM held on September 16, 2004, for allocation of 3,000,000 warrants to employees of the Company and similarly 500,000 warrants to employees of it's subsidiaries at an exercise price, at a discount up to 25% of the Average Price of the weekly high and low of the closing prices of the Company's shares on the NSE, for the preceding six months of the month in which the Warrants are allotted.

d) ESOP 2005

The Company obtained further approval of the shareholders at the 17th AGM held on September 27, 2005, for allocation of 3,500,000 warrants to employees of the Company and similarly 300,000 warrants to employees of it's subsidiaries at an exercise price, at a discount up to 25% of the Average Price of the weekly high and low of the closing prices of the Company's shares on the NSE or Bombay Stock Exchange Limited (BSE), as the case may be where the volume of shares traded is more, in the preceding six months of the month in which the Warrants are allotted.

e) ESOP 2008

The Company obtained further approval of the shareholders at the 20th AGM held on June 13, 2008, for allocation of 1,500,000 warrants to employees of the Company under this scheme at an exercise price at a discount up to 25% of the Average Price of the weekly high and low of the closing prices for the preceding six months of the month in which the warrants are allotted or the closing market price on the previous trading day on which the warrants are allotted, whichever is lower, on the NSE or BSE as the case may be where the volume of shares traded is more.

Summary of ESOP Disclosure

A	Total Options Granted	11,372,730
B	Pricing Formula	Pricing Formula of each ESOP Scheme given in the respective paragraphs
C	Options Vested	3,018,980
D	Options exercised	5,964,607
E	Total No. of shares arising as a result of exercise of option	5,964,607
F	Options lapsed	2,931,213 options have been cancelled in terms of the Schemes on account of resignations of employees to whom options were granted
G	Variation of terms of options	ESOP 2004 Scheme- Extension of Exercise Period and Maximum period of vesting modified by taking shareholders approval in the 17th AGM held on September 27, 2005. ESOP 2001 and ESOP 2002 schemes were repriced by reducing the exercise price by Rs. 10/- per warrant as per the Special Resolution passed at the Extra-ordinary General Meeting held on April 5, 2006. ESOP schemes were modified to authorise the Board to recover Fringe Benefit Tax (FBT) on ESOPs from employees as per the Special Resolution passed in the 20th AGM held on June 13, 2008.
H	Money realised by exercise of options	Rs. 666,696,908/-
I	Total number of options in force	3,038,980
J	Employee-wise details of options granted to:	
	i. Senior Managerial Personnel	Details are furnished herein below
	ii. Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during that year.	Nil
	iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

K	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option:	Rs. 16.37
L	Disclosure Regarding the Compensation Cost:	For calculation of Employee Compensation costs, the Company has been using the intrinsic value method of ESOP valuation (as per SEBI Guidelines). Based on fair value of options as per the Black-Scholes Model (w.r.t options granted on or after June 30, 2003), the profits for the year ended March 31, 2010 would have been lower by Rs. 60.44 lacs (Previous year lower by Rs. 473.95 lacs). Consequently, the basic and Diluted EPS would have been lower by Rs. 0.07 (previous year lower by Rs.0.50) and Rs. 0.07 (previous year lower by Rs. 0.48) respectively.
M	Weighted average exercise price and Weighted average fair values	Weighted Average exercise prices of the options outstanding as at the Year end: Rs. 165.80 Weighted Average fair value of options outstanding as at the Year end: Rs. 44.68
N	The description of the method and significant assumptions used during the year to estimate the fair value of the options, including	I. Risk-free interest rate – This is the rate offered in the market with virtually zero risk. Normally the yield of Government backed securities with maturity similar to that of the option is taken into consideration. II. Expected life – Full life of the option is the period up to which it can be exercised. III. Expected volatility – Calculated by using the closing market prices of the Company's Shares during the last one year. IV. Expected dividends – yield has been calculated on the basis of dividend yield of the financial year. V. The price of underlying shares in market at the time of option grant – closing market price on previous trading day on which the warrants are allotted on the stock exchange where the volume of shares traded is more.

Employee wise details of options granted to Senior Managerial Personnel:

Sr. No.	Name	Grants Issued upto March 31, 2010	Outstanding as on March 31, 2010
1	Abhay P. Thite	301,500	208,000
2	Anand Parasramka	7,950	0
3	Anurag Maheshchandra Vashistha	69,000	14,900
4	Arun Gupta	55,000	0
5	Ashok Angne	15,500	0
6	Charudatta Kashinath Naik	556,500	499,000
7	Deven Vilas Buch	69,000	36,343
8	Eugene Savio Valles	58,000	20,500
9	Haritsinh Kanaksinhji Gohil	282,400	226,000
10	Laxmikant Yeshwant Desai	250,000	250,000
11	Mayur Taday	55,500	20,500
12	Milind Bengali	25,000	9,000
13	Milind Vasant Bapat	72,000	50,000
14	Nitin Janardhan Mandavkar	278,500	242,000
15	Omprakash Brijnath Singh	50,500	0
16	Pinakin Bhupendra Gandhi	287,000	176,200
17	Rahul Desai	73,000	50,000
18	Ravi Prakash Langer	78,500	23,270

Sr. No.	Name	Grants Issued upto March 31, 2010	Outstanding as on March 31, 2010
19	Sharat Chandra	200,000	43,000
20	Shashikant Nilkanth Jadhav	97,300	50,000
21	Stephen Xavier Braganza	40,000	18,325
22	Sukanta Kumar Roy	289,500	233,000
23	Tulsidas Gopal Alai	80,050	20,990
24	V.P. Khanolkar	44,700	17,200
25	Vidyadhar Anant Apte	80,500	34,000
26	Vijay Walanju	20,000	0
27	Vikas Arora	64,500	34,440
28	Vinay Baporikar	20,000	0
29	Vinay Kale	44,500	39,000
Subsidiary Employees			
1	Gerard Francis Misquitta	95,500	0
2	Jeevan Umesh Rai	86,200	39,000
3	Kunal Yag Kapai	69,000	15,000
4	Mahendra Ramesh Kodkany	52,400	4,989
5	Retassh Arvind Bhansali	55,500	0
6	Seshagiri Rao Kanchi	54,170	4,072

On behalf of the Board of Directors,

Mumbai

Manoj G. Tirodkar

April 20, 2010

Chairman & Managing Director

Auditors' Report

1. We have audited the attached balance sheet of GTL Limited, as at 31st March 2010, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto.

   These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

   (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010.

      (b) in the case of the profit and loss account, of the profit for the year ended on that date; and

      (c) in the case of the cash flow statement, of the cash flows for the year ended on that date

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For **Godbole Bhave & Co.**	For **Yeolekar & Associates**
Chartered Accountants	*Chartered Accountants*
A.S. Mahajan	**S.S. Yeolekar**
Partner	*Partner*
Membership Number 100483	Membership Number 36398
FRN No. 114445W	FRN No. 102489W

Mumbai
April 20, 2010

Annexure to Auditors' Report

Referred to in paragraph 3 of our report of even date on the accounts of GTL Limited for the year ended 31st March, 2010

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we report as under:

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

All the fixed assets have not been physically verified by the management during the year but there is a regular programme 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 verification.

In our opinion, during the year, the Company has not disposed off substantial part of the Fixed Assets.

(ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) The Company has neither taken nor granted any loans, secured or unsecured, from/to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(iv) In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control procedure.

(v) Based on the audit procedures applied by us, we are of the opinion that the transactions made in pursuance of contracts or arrangements, which were required to be entered in the register maintained u/s 301 of the Companies Act, 1956, have been so entered.

In our opinion, the transactions made, during the year, aggregating in value of Rupees Five Lakhs or more per party, in pursuance of contracts or arrangements entered into register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except that in case of transaction of provisioning and availment of services, no comparable price instances were available in view of the uniqueness of these transactions.

(vi) During the year, the Company has not accepted any deposits from public within the meaning of provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.Therefore, the provisions of clause 4 (vi) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) As explained to us, the Central Government has not prescribed the maintenance of Cost records under clause (d) of sub section (i) of Section 209 Companies Act, 1956, in respect of the business activities of the Company.

(ix) On the basis of our examination of the records of the Company, we are of the opinion that the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom duty, Excise-duty, Cess and other applicable statutory dues.

On the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection fund, Employees' State insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom duty, Excise-duty and Cess were outstanding, as at 31st March, 2010 for a period of more than six months from the date they became payable.

On the basis of the books of accounts and records of the Company as produced and examined by us , except for disputed Sales tax dues and Income Tax dues as detailed below, there are no dues of customs duty, wealth-tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Dues	14.47	2002-2003	CIT (Appeal)
		80.58	2005-2006	CIT (Appeal)
		20.40	2006-2007	CIT (Appeal)
Central Sales Tax Act & Sales Tax Act of various States	Sales Tax Dues	9,489.96	1995-1996, 2002-2003, 2004-2005, 2005-2006, 2006-2007, 2007-2008 & 2009-2010	1st Appellate Authority
		8.27	1995-1996 1997-1998	2nd Appellate Authority

(x) The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) On the basis of our examination of the records of the Company, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

Annexure to Auditors' Report

Therefore, the provisions of clause 4 (xii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ Mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xiv) In our opinion, the Company's business activities do not comprise of dealing in shares, securities, debentures or other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xv) In our opinion, the terms and conditions of guarantees given by the Company for loans taken by others from banks or financial institutions, are prima facie not prejudicial to the interest of the Company.

(xvi) In our opinion the term loans have been applied for the purposes for which they were raised or pending utilization have been temporarily placed as fixed deposit with banks.

(xvii) On an overall examination of the Balance sheet of the Company as at 31st March,2010 and related information as made available to us and as represented to us, by the management, we are of the opinion that funds raised on short-term basis have not been used for long term purposes.

(xviii) The company has not made preferential allotment of shares to parties and/or to the companies covered in the register maintained under section 301 of the Companies Act 1956.Therefore, the provisions of clause 4(xviii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xix) During the year company has issued unsecured debentures on private placement basis and therefore, the provisions of clause 4(xix) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xx) The Company has not raised any money through public issue during the year and therefore, the provisions of clause 4(xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

(xxi) To the best of our knowledge and belief and on the basis of our examination of the records of the Company, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **Godbole Bhave & Co.**	For **Yeolekar & Associates**
Chartered Accountants	*Chartered Accountants*
A.S. Mahajan	**S.S. Yeolekar**
Partner	*Partner*
Membership Number 100483	Membership Number 36398
FRN No. 114445W	FRN No. 102489W

Mumbai

April 20, 2010

Balance Sheet as at March 31, 2010

	Schedule	Rupees	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
a) Share Capital	A	967,244,650		947,231,530
b) Reserves and Surplus	B	10,455,213,648		8,912,850,423
			11,422,458,298	9,860,081,953
Loan Funds				
a) Secured Loans	C	NIL		NIL
b) Unsecured Loans	D	23,735,000,000		10,112,500,000
			23,735,000,000	10,112,500,000
TOTAL :			**35,157,458,298**	19,972,581,953
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	5,197,680,964		4,086,879,576
Less : Depreciation		2,318,866,265		1,846,942,516
Net Block		2,878,814,699		2,239,937,060
Capital Work-in-progress including Capital Advances		994,261,651		1,464,469,326
			3,873,076,350	3,704,406,386
Investments	F		**8,201,387,610**	7,283,592,320
Deferred Tax Asset			**222,228,010**	253,065,296
Current Assets, Loans and Advances				
a) Inventories	G	1,943,530,662		2,462,740,407
b) Sundry Debtors	H	2,134,159,500		3,003,199,549
c) Cash and Bank balances	I	13,283,533,627		8,914,390,710
d) Other Current Assets	J	431,200,534		NIL
e) Loans and Advances	K	13,225,602,122		5,077,951,285
		31,018,026,445		19,458,281,951
Less : Current Liabilities and Provisions				
a) Liabilities	L	7,533,759,639		10,183,767,964
b) Provisions	L	623,500,478		542,996,036
		8,157,260,117		10,726,764,000
Net Current Assets			**22,860,766,328**	8,731,517,951
TOTAL :			**35,157,458,298**	19,972,581,953
Statement of Significant Accounting Policies and Notes on Accounts form integral part of Accounts	S			

As per our report of even date

For Godbole Bhave & Co.
Chartered Accountants
A.S. Mahajan
Partner
Membership No.100483
FRN No. 114445W

For Yeolekar & Associates
Chartered Accountants
S.S. Yeolekar
Partner
Membership No. 36398
FRN No. 102489W

Mumbai
April 20, 2010

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

Charudatta Naik
Whole-time Director

Vijay Vij
Director

Milind Bapat
Sr. Vice President - Finance

Vidyadhar Apte
Company Secretary

Profit and Loss Account for the year ended March 31, 2010

	Schedule	April 09- March 10 Rupees	April 08- March 09 Rupees
INCOME			
Sales and Services (Net of Taxes)			
Exports		518,274,807	519,414,574
Domestic		14,995,016,860	13,989,628,217
		15,513,291,667	14,509,042,791
Other Income	M	20,992,864	17,763,727
TOTAL INCOME		**15,534,284,531**	14,526,806,518
EXPENDITURE			
Cost of Sales and Services	N	10,328,016,030	10,149,288,075
Cost of Delivery	O	1,276,262,873	862,681,004
Selling and Marketing Expenses	P	148,054,714	139,717,344
Administration and Other Expenses	Q	1,105,054,606	937,842,852
Finance Cost (Net)	R	230,231,672	691,941,868
Depreciation		480,062,540	434,121,772
TOTAL EXPENDITURE		**13,567,682,435**	13,215,592,915
Profit before Tax (PAT) and Extraordinary and Prior Period items		**1,966,602,096**	1,311,213,603
Less : Provision For Taxation for current year			
Income Tax (Net of MAT credit receivable)		362,500,000	175,000,000
Deferred Tax		30,837,284	16,553,303
Fringe Benefit Tax		NIL	21,938,799
		393,337,284	213,492,102
Profit After Tax & Before Extraordinary & Prior Period Items		**1,573,264,812**	1,097,721,501
Less : Extraordinary item		NIL	(100,000,000)
Add / (Less) : Prior Period items	S (note 6)	10,340,679	(83,360,990)
Profit After Tax and Extra-ordianry & Prior period items		**1,583,605,491**	914,360,510
Add: Balance brought forward from Last Year		1,962,078,210	1,500,181,758
Profit available for Appropriation		**3,545,683,701**	2,414,542,269
APPROPRIATIONS			
Equity Dividend (Proposed)		299,290,335	284,169,459
		299,290,335	284,169,459
Dividend Distribution Tax		50,864,392	48,294,600
		50,864,392	48,294,600
Amount transferred to:			
General Reserve		200,000,000	120,000,000
Debenture Redemption Reserve		511,629,000	NIL
		711,629,000	120,000,000
Surplus carried to Balance Sheet		2,483,899,975	1,962,078,210
		3,545,683,701	2,414,542,269
Face Value of Equity Share - Rs.10 each			
Earnings Per Share excluding extra-ordinary items - Basic		16.60	10.72
- Diluted		16.37	10.28
Earnings Per Share including extra-ordinary items - Basic		16.60	9.67
- Diluted		16.37	9.27
Statement of Significant Accounting Policies and Notes on Accounts form integral part of Accounts	S		

As per our report of even date

For Godbole Bhave & Co.
Chartered Accountants
A.S. Mahajan
Partner
Membership No.100483
FRN No. 114445W

For Yeolekar & Associates
Chartered Accountants
S.S. Yeolekar
Partner
Membership No. 36398
FRN No. 102489W

Mumbai
April 20, 2010

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

Charudatta Naik
Whole-time Director

Vijay Vij
Director

Milind Bapat
Sr. Vice President - Finance

Vidyadhar Apte
Company Secretary

Schedules to the Balance Sheet as at March 31, 2010

	Schedule	Rupees	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
SCHEDULE A				
SHARE CAPITAL				
Authorised				
120,000,000 Equity Shares of Rs. 10 each			1,200,000,000	1,200,000,000
2,500,000 Preference Shares of Rs. 100 each			250,000,000	250,000,000
			1,450,000,000	1,450,000,000
Issued, Subscribed and Paid Up				
96,724,465 (94,723,153) Equity Shares of Rs.10 each fully paid-up	S (note 1)		967,244,650	947,231,530
TOTAL			**967,244,650**	947,231,530
SCHEDULE B				
RESERVES AND SURPLUS				
Share Premium				
As per last Balance Sheet		1,900,710,601		1,880,887,507
Additions during the period :				
On Issue of Equity shares under ESOP		348,097,011		19,823,094
			2,248,807,612	1,900,710,601
Capital Reserve				
As per last Balance Sheet			7,725	7,725
Capital Redemption Reserve				
As per last Balance Sheet			86,293,330	86,293,330
General Reserve				
As per last Balance Sheet		4,907,632,718		4,787,632,718
Transferred from Profit and Loss Account		200,000,000		120,000,000
			5,107,632,718	4,907,632,718
Debenture Redemption Reserve	S (note 2)			
As per last Balance Sheet		NIL		NIL
Transferred from Profit and Loss Account		511,629,000		NIL
			511,629,000	NIL
Employee Stock Option Outstanding				
As per last Balance Sheet		67,337,932		70,523,975
Addition / (Deletion) during the year		(38,494,341)		(3,186,043)
		28,843,591		67,337,932
Less : Deferred Compensation Expense				
As per last Balance Sheet		11,210,093		35,007,861
Addition / (Deletion) during the year		690,210		(23,797,768)
		11,900,303		11,210,093
			16,943,288	56,127,839
Surplus as per Profit and Loss Account			2,483,899,975	1,962,078,210
TOTAL			**10,455,213,648**	8,912,850,423

Schedules to the Balance Sheet as at March 31, 2010

	Schedule	Rupees	**As at March 31, 2010 Rupees**	As at March 31, 2009 Rupees
SCHEDULE C				
SECURED LOANS			NIL	NIL
			NIL	NIL
TOTAL				
SCHEDULE D				
UNSECURED LOANS				
Short Terms				
From Banks			3,000,000,000	2,500,000,000
Long Term *				
From Banks				
External Commercial Borrowing from Banks			6,735,000,000	7,612,500,000
From Others				
8% Rated Redeemable Unsecured Rupee Non-convertible Debentures	S (note 2)		14,000,000,000	NIL
TOTAL			**23,735,000,000**	10,112,500,000
* Payable within One Year Rs.NIL (Rs.NIL)				

SCHEDULE E

FIXED ASSETS

(Rupees)

PARTICULARS	GROSS BLOCK (AT COST) As at April 1,2009	Additions	Sale / Adjustment	As at March 31,2010	DEPRECIATION As at April 1,2009	For the Year Additions	Sale/ Adjustment	As at March 31,2010	NET BLOCK As at March 31,2010	As at March 31,2009
Tangible Assets										
Land - Freehold	249,105	NIL	NIL	249,105	NIL	NIL	NIL	NIL	249,105	249,105
Buildings (Including Leashold)	357,716,062	241,376,553	(17,449,763)	581,642,852	63,744,033	9,366,323	(1,781,071)	71,329,285	510,313,567	293,972,029
Plant and Equipments	511,871,806	206,631,943	NIL	718,503,751	283,554,518	89,951,935	NIL	373,506,453	344,997,298	228,317,288
Furniture and Fixtures	96,556,098	40,272,048	(22,776)	136,805,370	58,027,342	16,737,668	(21,088)	74,743,922	62,061,448	38,528,756
Office Equipments	76,936,652	10,209,580	(68,029)	87,078,203	45,030,151	11,650,196	(63,023)	56,617,324	30,460,879	31,906,501
Computers	138,905,405	86,788,666	(5,893,605)	219,800,466	75,796,714	38,899,806	(5,859,127)	108,837,393	110,963,073	63,108,691
Networking Assets	2,534,569,068	7,078,559	(80)	2,541,647,547	1,087,038,728	263,044,470	(80)	1,350,083,118	1,191,564,429	1,447,530,341
Test and Repair Equipments	112,251,023	66,347,353	(598,278)	178,000,098	53,077,762	27,493,926	(414,402)	80,157,286	97,842,812	59,173,262
Vehicles	12,886,741	NIL	(1)	12,886,740	8,177,142	2,287,227	(1)	10,464,369	2,422,372	4,709,599
SUB TOTAL (A)	**3,841,941,960**	**658,704,704**	**(24,032,532)**	**4,476,614,132**	**1,674,446,390**	**459,431,551**	**(8,138,792)**	**2,125,739,149**	**2,350,874,983**	**2,167,495,571**
Intangible Assets										
Networking Software	219,202,268	NIL	NIL	219,202,268	152,871,553	9,827,342	NIL	162,698,895	56,503,373	66,330,715
Other than Networking Software	25,735,348	476,129,216	NIL	501,864,564	19,624,574	10,803,647	NIL	30,428,221	471,436,343	6,110,774
SUB TOTAL (B)	**244,937,616**	**476,129,216**	**NIL**	**721,066,832**	**172,496,127**	**20,630,989**	**NIL**	**193,127,116**	**527,939,716**	**72,441,489**
SUB TOTAL (A + B)	**4,086,879,575**	**1,134,833,920**	**(24,032,532)**	**5,197,680,964**	**1,846,942,517**	**480,062,540**	**(8,138,792)**	**2,318,866,265**	**2,878,814,699**	**2,239,937,061**
Capital work in progress including capital advances	1,464,469,326	236,419,556	(706,627,231)	994,261,651	NIL	NIL	NIL	NIL	994,261,651	1,464,469,326
TOTAL	**5,551,348,901**	**1,371,253,475**	**(730,659,763)**	**6,191,942,615**	**1,846,942,516**	**480,062,540**	**(8,138,792)**	**2,318,866,265**	**3,873,076,351**	**3,704,406,386**
PREVIOUS YEAR	**3,930,792,836**	**1,935,544,944**	**(314,988,880)**	**5,551,348,902**	**1,512,153,253**	**434,121,772**	**(99,332,509)**	**1,846,942,516**	**3,704,406,386**	**2,418,639,583**

Notes

1. Gross block of building includes subscription towards share capital of co-operative societies amounting to Rs.2,750/- (previous year Rs.2,750/-) and leased buildngs amounting to Rs.19,90,77,048/- (previous year Rs.19,90,77,048/-).
2. Addition to Software includes Depreciation on Assets used for Development of Software of RS. NIL (Previous year Rs.18,775,779/-)
3. Software includes intermally generated assets Rs. 72,657,716/- (previous year Rs. 72,657,716/-)
4. Capital Work-In-Progress includes Capital Advance of Rs.804,587,480/- (Previous Year 999,000,000/-)

Schedules to the Balance Sheet as at March 31, 2010

			Number	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
INVESTMENTS					
Short Term					
Quoted - (Non-Trade)					
Equity Shares in listed Companies - Fully paid - up					
Yuken India Ltd.			NIL	NIL	19,723,645
(Face Value of Rs.10/- each)			(88,028)		
Less : Dimunition in value of Investment				NIL	(15,718,371)
Total of Trade Investments - Quoted		(A)		**NIL**	4,005,274
Long Term					
Quoted (Trade)					
Equity Shares in listed Company - Fully paid - up					
GTL Infrastrucure Ltd.			299,686,460		
(Face Value of Rs.10/- each)	Refer S (Note 5 a)	(B)	(289,720,362)	**3,980,864,381**	3,560,804,747
Total of Quoted Investments		C = (A + B)		3,980,864,381	3,564,810,021
Unquoted					
Equity Investment in Subsidiary Companies - fully paid -up					
International Global Tele-systems Ltd.			2,762,615	95,879,488	95,879,488
(Face Value of US $1/- each)			(2,762,615)		
GTL International Ltd.			3,000,000	119,640,000	119,640,000
(Face Value of US $1/- each)			(3,000,000)		
ADA Cellworks India Ltd.			90,000	134,550,000	NIL
(Face Value of Rs.10/- each)			(NIL)		
Total of Equity Investment in Subsidiary Companies		(D)		350,069,488	215,519,488
Preference Investment in Subsidiary Companies - fully paid -up					
3.5 % Preference shares of GTL International Ltd.			47,000,000	2,109,830,000	2,383,840,000
(Face Value of US $ 1/- each)			(47,000,000)		
3.5 % Preference shares of International Global Tele-systems Limited			NIL	448,900,000	NIL
(Face Value of US $ 1/- each)			(47,000,000)		
Total of Preference Investment in Subsidiary Companies		(E)		2,558,730,000	2,383,840,000
Total of Investment in Subsidiary Companies		F = (D + E)		**2,908,799,488**	2,599,359,488
Investment in Companies - other than Subsidiaries Trade					
Equity Investments - fully paid up					
Global Projects & Aviation Pvt Ltd.			12,350,000	538,089,720	82,156,140
(Face Value Of Rs.10/- each)	Refer S (Note 5 b)		(4,751,107)		
Global Rural Netco Limited			75,000,000	750,000,000	NIL
(Face Value of Rs.10/- each)	Refer S (Note 5 c)		(NIL)		
Chennai Networks Infrastructure Limited			335,960	3,359,600	NIL
(Face Value of Rs.10/- each)			(NIL)		
Total of Equity Investment		(G)		**1,291,449,320**	82,156,140
Preference Investments - fully paid up					
.01% Cummulative Redeemable Preference shares- Global Proserve Ltd (Face Value of Rs.10/-each)			NIL (50,000,000)	NIL	500,000,000
6% Cumulative Redeemable Preference shares of Global Projects & Aviation Pvt Ltd (Face Value Of Rs.10/- each)			NIL (45,000,000)	NIL	450,000,000
Total of Preference Investment		(H)		NIL	950,000,000
Total of Investment in other than Subsidiaries - Trade		I = (G + H)		**1,291,449,320**	1,032,156,140

Schedules to the Balance Sheet as at March 31, 2010

		Number	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
Non- Trade				
Equity Investment - fully paid - up				
Asia Bioenergy Ltd (Face Value Of Rs.10/- each)		NIL (3,500,000)	NIL	35,000,000
Business India Ltd. (Face Value Of Rs.10/- each)		NIL (55,000)	NIL	550,000
Brickway Rating India Pvt Ltd. (Face Value Of Rs.10/- each)		80,000 (80,000)	20,000,000	20,000,000
Shyam Teleservices Limited (Face Value of Rs.10/- each)		NIL (166,740)	NIL	1,667,400
Fareast telecom Ltd (Face Value of US$ 1/- each)		1000 (1000)	49,271	49,271
Alfa Impex Telecom Ltd (Face Value of US$ 1/- each)		5,000 (NIL)	225,150	NIL
Total of Equity Investment - other than Subsidiary Companies - (Non-Trade)	(J)		**20,274,421**	57,266,671
Preference Investment - fully paid - up				
Brickway Rating India Pvt Ltd. (Face Value of Rs.10/-each)		NIL (3,000,000)	NIL	30,000,000
Total of Preference Investment - other than Subsidiary Companies (Non-Trade)	(K)		NIL	30,000,000
Total of Investment in Companies - other than Subsidiaries (NonTrade)	L = (J + K)		**20,274,421**	87,266,671
Total of Un-quoted Investments	M =(I + L)		**4,220,523,229**	3,718,782,299
TOTAL OF INVESTMENTS	N = (C + M)		**8,201,387,610**	7,283,592,320

	Book Value		Market Value	
	As at March 31, 2010	As at March 31, 2009	**As at March 31, 2010**	As at March 31, 2009
Aggregate of Quoted Investments	3,980,864,381	3,564,810,021	12,541,878,351	8,536,269,934
Aggregate of Unquoted Investments	4,220,523,229	3,718,782,299	N.A.	N.A.
	8,201,387,610	7,283,592,320	**12,541,878,351**	8,536,269,934

Schedules to the Balance Sheet as at March 31, 2010

Investments Purchased & Sold during the year
Mutual Fund Units

Name Of Investments	Face Value	Nos.	Cost
Axis Liquid Fund	1000	3,885,438	3,941,500,000
Baroda Pioneer Liquid Fund-Daily Dividend Plan	10	54,593,811	572,500,000
Bharti Axa Liquid Fund -Institutional Growth Plan	1000	242,647	263,500,000
Birla Sun Life Cash Manager*Institutional Plan-Growth	10	891,782,645	13,534,000,000
Birla Sun Life Cashplus -Instl Prem-Growth	10	219,896,537	3,210,500,000
Birla Sun Life Floating Rate Fund-Short Term-Ip-Growth	10	17,045,503	200,000,000
Birla Sunlife Savings Fund Inst - Growth	10	25,926,583	450,049,192
DBS Chola Liquid Sup Inst.Plan-Cumulative	10	365,296,578	4,574,215,000
Deutsche Insta Cash Plus Fund - Super Institutional Plan- Growth	10	36,716,444	424,000,001
DSP Black Rock Mutual Fund	1000	4,228,657	5,548,000,000
DSP Blackrock Floating Rate Fund-Institutional Plan-Growth	1000	113,922	150,016,658
DWS Insta Cash Plus Fund - Super Institutional Plan- Growth	10	549,819,588	6,492,000,000
Fidelity Mf	10	15,949,600	200,000,000
GCCG IDFC Cash Fund Super Inst Plan C Growth	10	134,502,990	1,500,000,000
Gfcg IDFC Money Manager Fund-Treasury Plan-Super Inst Plan C-Growth	10	46,055,241	500,049,384
HDFC Cash Management Fund - Savings Plus Plan Growth	10	1,001,109,557	19,096,500,001
HDFC Floating Rate Income Fund-Short Term Plan-Wholesale Option-Growth	10	147,532,002	2,300,235,135
HDFC Liquid Fund-Premium Plan-Growth	10	451,168,533	8,167,040,000
ICICI Prudential Flexible Income Plan Premium-Growth	100	5,315,706	904,101,608
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	100	126,287,312	17,112,650,000
ING Vysya Liquid Fund Super Institutional -Growth Option	10	212,649,765	2,899,950,000
JM High Liquidity Fund-Super Institutional -Growth (94)	10	53,770,500	774,000,000
JPLGR-JP Morgan India Liquid Fund-Growth Plan	10	1,095,141,971	12,803,300,000
JPPGR-JP Morgan India Treasury Fund-Super Inst.Growth Plan	10	58,677,423	700,075,200
Kotak Flexi Debt Scheme Institutional Growth	10	13,318,124	150,015,350
Kotak Floater Long Term-Growth	10	51,682,388	750,076,839
Kotak Liquid (Institutional Premium) - Growth	10	407,092,912	7,541,500,000
L & T Liq Sup Inst. Plan-Cumulative	10	30,776,745	388,500,000
LICMF Floating Rate Fund - Short Term Plan -Dividend Plan	10	19,689,303	200,000,000
LICMF Floating Rate Fund - Short Term Plan -Growth	10	496,693,379	7,205,168,789
LICMF Liquid Fund - Growth Plan	10	1,347,762,082	22,413,583,671
LICMF Savings Plus Fund - Growth Plan	10	34,424,355	500,044,738
Magnum Insta Cashfund-Cash Option	10	19,123,608	379,000,000
NFSG Canara Robeco Floating Rate Short Term Growth Fund	10	156,185,121	2,148,200,000
NLFSG Canara Robeco Liquid-Super Inst Growth Fund	10	904,280,762	10,051,500,000
NLPSG Canara Robeco Treasury Advantage Super Inst Growth Fund	10	36,227,920	500,053,975
Principal Cash Management Fund Liquid Option Inst.Prem Plan- Growth	10	226,498,602	3,232,500,000
Prudential Icici Institutional Liquid Plan-Super Institutional Growth	10	715,721,665	12,952,850,000
Reliance Floating Rate Fund-Growth Plan-Growth Option	10	2,095,008,274	29,983,500,000
Reliance Liquid Fund-Treasury Plan-Institutional Option-Growth Option-Growth Plan	10	206,207,762	4,595,000,000
Reliance Medium Term Fund-Retail Plan-Growth Plan-Growth Option	10	42,219,338	800,094,450
Reliance TP IP	20	11,500,704	250,000,000
Religare Liquid Fund	10	300,038,980	3,717,000,000
Religare Liquid Fund-Super Institutuional Growth	10	1,044,281,910	13,108,700,000
Religare Ultra Short Term Fund - Institutional Growth	10	71,568,876	900,085,973
SBI Magnum Insta Cash Fund Liquid Floater Plan-Growth	10	117,762,572	1,810,000,000
SBI Magnum Insta Cash Fund-Cash Option	20	67,095,836	1,361,500,000
SBI Premier Liquid Fund - Institutional- Growth	10	10,334,564	150,000,000
SBI Premier Liquid Fund - Super Institutional- Growth	10	829,591,263	11,944,500,000
SBNPP Money Fund Super Inst.Growth	10	21,836,504	420,000,000
Sundaram Bnp Paribas Money Fund Super Inst.Growth	10	10,574,981	198,000,000
Templeton Floating Rate Income Fund Short Term Plan Institutional Option-Gowth	10	248,767,153	3,294,500,001
Templeton India Treasury Management Account Super Institutional Plan-Gowth	1000	3,232,107	4,343,000,000
TFRSIG Tata Floationg Rate Short Term Inst. Plan - Growth	10	348,140,960	5,185,500,001
TLSG01 Tata Liquid Super High Inv.Fund-Appreciation	1000	3,687,846	6,237,500,000
UTI Money Market Fund	20	98,424,890	2,440,000,000
UTI Money Market Mutual Fund - Institutional Growth Plan	100	101,115,111	20,632,900,000
UTI - Treasury Advantage Fund - Institutional Plan (Growth Option)	1000	1,870,953	2,300,250,721

Schedules to the Balance Sheet as at March 31, 2010

		As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
SCHEDULE G			
INVENTORIES			
Stores and Spares		NIL	496,474
Stock - in trade (including stock in transit)		1,891,533,071	1,969,571,608
Work in Progress		51,997,591	492,672,325
TOTAL		**1,943,530,662**	2,462,740,407
SCHEDULE H			
SUNDRY DEBTORS (Unsecured)			
Trade :			
Outstanding for over six months			
Considered Good		464,217,159	498,378,759
Considered doubtful		51,145,394	33,740,852
Less : Provision for doubtful debts		(51,145,394)	(33,740,852)
		464,217,159	498,378,759
Other Debts (Considered Good)		1,669,942,341	2,504,820,790
TOTAL		**2,134,159,500**	3,003,199,549
SCHEDULE I			
CASH AND BANK BALANCES			
Cash on hand		2,511,342	2,531,044
Cash at bank			
With Scheduled Banks			
- In Current Accounts		7,550,151,430	2,506,282,248
- In Fixed Deposits		5,619,910,772	6,286,639,435
With Others			
- In Non-Schedule Bank		899,820	983,169
Cheques in Hand & Funds in Transit (Since realised)		110,060,263	117,954,814
TOTAL		**13,283,533,627**	8,914,390,710
SCHEDULE J			
OTHER CURRENT ASSETS			
Receivable on Account of assignment	S (Note 25)	431,200,534	NIL
TOTAL		**431,200,534**	NIL

Schedules to the Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
SCHEDULE K		
LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good *	1,726,958,032	3,495,249,226
Considered doubtful	3,561,354	2,208,901
Less : Provision for doubtful Advances	(3,561,354)	(2,208,901)
	1,726,958,032	3,495,249,226
Share Application Money towards Equity Investment in Chennai Network Infrastructure Limited	10,677,860,000	NIL
Deposits	139,823,289	920,246,942
Tax Paid/Deducted at Source (Net of Provision)	680,960,801	662,455,117
TOTAL	**13,225,602,122**	5,077,951,285
* Includes Advance to Subsidiaries Rs184.04 lacs (Rs.264.40 lacs)		
Maximum balance during the period Rs.320.40 lacs (Rs.351.35 lacs)		
TOTAL OF CURRENT ASSETS, LOANS AND ADVANCES	**31,018,026,445**	19,458,281,949
SCHEDULE L		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities:		
Acceptance	4,685,301,545	6,223,156,030
Sundry Creditors	1,957,259,314	1,989,895,798
Due to Subsidiaries	42,431,258	8,581,163
Investor Education and Protection Fund *	16,523,576	17,925,350
Interest accrued but not due on loans	162,141,426	73,980,271
Advance from Customers	289,655,749	1,503,360,636
Other liabilities	380,446,771	366,868,716
TOTAL	**7,533,759,639**	10,183,767,964
Provisions		
Provision for Gratuity	51,175,283	43,261,142
Provision for Leave Encashment	28,930,983	23,104,060
Provision for Derivatives Loss (MTM)	193,239,485	144,166,775
Proposed Dividend	299,290,335	284,169,459
Tax on Dividend	50,864,392	48,294,600
TOTAL	**623,500,478**	542,996,036
TOTAL OF CURRENT LIABILITIES & PROVISIONS	**8,157,260,117**	10,726,764,000

* Approproiate amount shall be transferred to “Investor Education and Protection Fund” if and when due

Schedules to the Profit & Loss Account for the year ended March 31, 2010

	April 09 - March 10 Rupees	April 08 - March 09 Rupees
SCHEDULE M		
OTHER INCOME		
Miscellaneous Income	15,088,166	5,209,156
Profit on sale of fixed assets (Net)	5,904,699	12,554,571
TOTAL	**20,992,865**	17,763,727
SCHEDULE N		
COST OF SALES AND SERVICES		
Purchases	9,808,806,285	10,679,674,577
Decrease / (Increase) in Inventory	519,209,745	(530,386,502)
TOTAL	**10,328,016,030**	10,149,288,075
SCHEDULE O		
COST OF DELIVERY		
Salaries	373,025,606	237,082,046
Contribution to Provident and Other Funds	30,049,313	21,070,652
Staff Welfare Expenses	22,335,103	14,763,181
Staff Training and Recruitment Expenses	19,431,863	3,135,641
Outsourced Manpower Cost	596,042,671	394,616,690
Travelling and Conveyance Expenses	214,729,801	159,914,134
Communication Expenses	20,648,516	32,098,660
TOTAL	**1,276,262,873**	862,681,004
SCHEDULE P		
SELLING AND MARKETING EXPENSES		
Salaries	107,254,784	92,596,792
Contribution to Provident & Other Funds	6,629,471	7,006,055
Staff Welfare Expenses	5,923,742	6,620,974
Staff Training & Recruitment Expenses	222,628	220,720
Outsourced Manpower Cost	5,021,995	5,361,589
Travelling & Conveyance Expenses	13,422,117	7,671,945
Communication Expenses	1,171,428	2,644,508
Advertisement Expenses	1,071,070	816,042
Business Promotion Expenses	2,778,713	714,176
Freight Charges	1,318,644	4,869,538
Marketing Expenses	3,240,122	11,195,005
TOTAL	**148,054,714**	139,717,344

Schedules to the Profit & Loss Account for the year ended March 31, 2010

	April 09 - March 10 Rupees	April 08 - March 09 Rupees
SCHEDULE Q		
ADMINISTRATION EXPENSES		
Salaries	315,904,176	297,507,142
Contribution to Provident Fund & Others	13,053,411	22,504,033
Staff Welfare Expenses	25,615,194	35,732,229
Staff Training & Recruitment Expenses	10,261,213	5,270,262
Outsourced Manpower Cost	2,881,460	9,075,729
Rent	120,602,196	90,910,291
Electricity Charges	31,713,175	35,408,411
Insurance	28,283,171	17,187,822
Travelling & Conveyance Expenses	38,147,480	32,647,522
Communication Expenses	68,229,516	53,810,461
Legal and Professional Fees	71,198,731	88,422,743
Director's Sitting Fees	650,000	580,000
Commission to Non-Executive Directors	7,374,000	4,447,500
Auditor's Remuneration	4,117,525	4,376,033
Repairs & Maintenance - Buildings	2,102,720	2,035,586
- Plant & Machinery	270,470	521,595
- Others	67,723,812	80,496,058
Provision for Doubtful Debts	52,497,847	8,830,700
Balances and Claims written off (Net)	40,112,347	8,979,341
Other Expenses	204,316,162	139,099,394
TOTAL	**1,105,054,606**	937,842,852
SCHEDULE R		
FINANCE COST (NET)		
Interest Income		
Interest - Bank Deposits (Tax deducted at Source Rs.166.19 lacs (Rs.53.87 lacs))	336,418,127	206,956,970
- Others (Tax deducted at Source Rs.258.73 lacs (Rs.375.43 lacs))	271,909,142	198,691,129
Total of Interest Income	**608,327,269**	405,648,099
Less :		
Interest Expense		
Interest - Term loan	737,639,921	711,548,710
Interest - Debentures	156,493,151	NIL
Interest - Others	9,495,052	25,267,787
Total of Interest Expense	**903,628,124**	736,816,497
Net Interest (Expense)	**(295,300,855)**	(331,168,398)
Other Financial Income		
Dividend		
- from investments in Subsidiary Companies	107,500,610	41,337,684
- from other investments	114,575	603,130
Profit / (Loss) on sale of Short term Investments (Net of diminution in value of Investment)	92,762,189	15,656,085
Profit / (Loss) on sale of Long term Investments (Net of diminution in value of Investment)	72,675,000	209,646,350
Total of Other Financial Income	**273,052,374**	267,243,249
Total of Interest (Net) and Other Financial Income	**(22,248,481)**	(63,925,149)
Less:		
Finance Charges	567,236,510	393,495,548
Exchange (Gain) / Loss	(359,253,319)	234,521,171
TOTAL	**230,231,672**	691,941,868

SCHEDULE S:

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2010 AND TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Financial Statements:

The Accounts have been prepared on a going concern basis under historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 1956.

2. Use of Estimate :

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

3. Revenue recognition:

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

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

b. Revenue from sale of products (excluding under Agency arrangements) is recognized upon passing of title of goods and/or on transfer of significant risk and rewards of ownership thereto.

Revenue from Services is recognized of performance of Service.

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

d. Income such as annual maintenance contracts, annual subscriptions, Interest, Facility Management is recognized as per contractually agreed terms on time proportion basis.

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

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

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. All identifiable costs incurred up to asset put to use are capitalized. Costs include purchase price (including non-refundable taxes/duties) and borrowing costs for the assets that necessarily take a substantial period of time to get ready for its intended use.

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

Capital Work In Progress includes advances paid for acquisition of fixed assets and cost of fixed assets that are not yet ready for there intended use as at balance sheet.

5. Depreciation :

The depreciation on fixed assets is provided pro-rata to the period of use of Assets using the straight-line method based on Economic useful lives as estimated by the management. The aggregate depreciation provided on the basis of estimated economic useful life is not less than the depreciation as calculated at the rates specified in Schedule XIV of the Companies Act, 1956.

The management's estimate of Economic useful lives of the various fixed assets is given below:-

Asset	Economic Useful Life (Years)
1. Buildings (including land for which no separate Valuation is available)	58
2. Plant & equipments	3 to 10
3. Furniture & fixtures	5
4. Office equipments	5
5. Computers and related operating systems	5 to 7
6. Networks	4 to 9
7. Test & Repair Equipments	5
8. Vehicles	5
9. Intangible Assets	
a) Networking Software	4 to 9
b) Other than Networking Software	5

The leasehold improvements have been depreciated over lease period.

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

6. Impairment of Assets:

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

7. Investments:

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

8. Inventories:

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

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

9. **Foreign currency transactions:**

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

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

   c. In respect of transaction covered under forward exchange contracts, the difference between the exchange rates prevailing at the Balance Sheet date and rate on the date of the contract is recognised as exchange difference. The premium on forward contracts is amortised over the life of the contract

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

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

   f. Foreign branch operations being integral part of Company's operations, transactions thereat are reported as under:

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

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

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

10. **Employee Benefits:**

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

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

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

11. **Provision for Current and Deferred Tax:**

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

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

12. **Provisions, Contingent Liabilities & Contingent Assets:**

   Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

13. **Financial Derivatives Hedging Transactions:**

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

14. **Borrowing Cost:**

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

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

15. **Leases:**

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

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

16. **Provision for Doubtful Debts and Loans and Advances :**

   Provision is made in the Accounts for doubtful debts and loans and advances in cases where the management considers the debts and loans and advances to be doubtful of recovery.

17. **Research and Development:**

   a. Revenue expenditure on Research and Development is charged to Profit and Loss Account in the period in which it is incurred.

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

B. NOTES TO ACCOUNTS

1. SHARE CAPITAL

Equity Share Capital

Particulars		As at March 31, 2010 (Number of Shares)	As at March 31, 2009 (Number of Shares)
Additions during the year			
Equity Shares allotted as fully paid on exercise of options under Employee Stock Options scheme at the rate of Rs. 10 each and premium as under			
Exercise Price	**Premium Class**	**Number of Shares**	
65	55	20	200
70	60	27,880	6,000
75	65	19,647	37,663
98	88	300	NIL
113	103	2,800	2,800
134	124	134,000	15,000
140	130	755,999	63,397
145	135	151,000	NIL
165	155	217,805	7,915
209	199	650,446	16,099
245	235	33,415	NIL
252	242	8,000	NIL
Total no of Shares allotted on exercise of option under ESOP		**2,001,312**	**149,074**
NET INCREASE / (DECREASE) IN SHARES		**2,001,312**	**149,074**

2. LOAN FUNDS

UNSECURED LOANS

Rs. In Lacs

Particulars	As at March 31 2010	As at March 31 2009
a) Short Term Loan from bank	30,000.00	25,000.00
b) External Commercial Borrowing	67,350.00	76,125.00
c) 8% Rated Redeemable Unsecured Rupee Non-convertible Debenture	140,000.00	NIL
Total	**237,350.00**	**101,125.00**

During the Financial year ending March 31,2010 the Company has issued 14,000 8% Rated Redeemable Unsecured Rupee Non-Convertible Debentures (NCDs) of Rs.10.00 lacs each for cash at par aggregating Rs.140,000 lacs on private placement basis on the terms and conditions stipulated in the Information Memorandum. These NCDs are listed on BSE in the Debt Segment.

In terms of provisions of the Companies Act, 1956, the Company has created Debenture Redemption Reserve on pro-rata basis of Rs.5,116.29 Lacs as at March 31, 2010.

3. SECURITIES CREATED

The Company avails fund-based facilities like sale bill discounting and non-fund based facilities like Letters of Credit, Bank Guarantees and Dealer Finance in the course of its operations. The aggregate of such sanctioned facilities as on March 31, 2010 is Rs. 225,400.00 Lacs (Rs.214,031.00 Lacs).Out of these facilities ,Rs.45,500 lacs (Rs.59,350 lacs) are unsecured facilities and Rs 177,900 lacs (Rs.154,681 lacs) are secured facilities. The details of secured facilities are as under :

i) Facilities of Rs. 22,200 Lacs (Rs. 23,950 lacs) are secured on a pari passu basis against the movable and immovable fixed assets & hypothecation of goods specifically procured.

ii) Facilities of Rs.129,500.00 Lacs (Rs. 101,371 lacs) are secured on hypothecation of goods specifically procured under the non-fund based facilities

iii) Facilities of Rs. 28,200.00 Lacs (Rs. 29,360.00 Lacs) are partly secured by Cash Margin in the form of pledge of Term deposits.

Bank Deposits of Rs.28,443.76 lacs (Rs. 29,527.51 lacs) are pledged towards margin money for Letter of Credit Facilities & Bank Guarantees.

4. CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND PROVISIONS FOR UNASCERTAINED EXPENSES.

Rs. In Lacs

Particulars	As at March 31, 2010	As at March 31, 2009
a. **Capital Commitments** Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) (cash out flow is expected on execution of such contracts on progressive basis.)	5,779.63	3,635.93
b. **Contingent Liabilities Not Provided for**		
i) Claims against the Company not acknowledge as debts	167.69	26.20
ii) Guarantees given by Banks on behalf of the Company	50,451.74	17,783.79
iii) Performance Guarantees issued to banks on behalf of Subsidiaries/ Associates & Affiliates	37,929.74	38,613.92
iv) Financial Guarantees given by Company to Subsidiaries/Associates & Affiliates	21,000.00	18,500.00
v) Performance Guarantees given by Company to Third Party/ies	500.00	598.12

Particulars	As at March 31, 2010	As at March 31, 2009
vi) Disputed Sales tax liabilities in respect of pending cases appeals. (Amount deposited Rs. 93.54 lacs)	9,498.23	314.80
vii) Bill Discounted (Net of Margin & Insurance Cover)	7,246.77	18,057.85
viii) Disputed Income tax liability in respect of pending case before the Appellate Authorities. (Amount deposited Rs. 115.46 lacs) (Rs. NIL)	115.46	205.73

No cash out flow is expected in near future in respect of items stated in 4 (b) (i) to 4 (b) (viii)

c. Provision For Unascertained Expenses

Rs. in Lacs

Particulars	Derivative Losses		Warrantee	
	As at March31, 2010	As at March31, 2009	As at March 31, 2010	As at March 31, 2009
Opening Balance	1,441.67	3,064.00	25.86	99.55
Additional Provisions during the year	490.72	1,084.70	NIL	88.15
Less : Utilization during the year	NIL	(2,707.03)	NIL	NIL
Unutilized provision reversed during the year	NIL	NIL	(11.21)	(161.84)
Closing Balance	1,932.39	1,441.67	14.65	25.86

5. a) GTL Infrastructure Ltd (GIL) is an associate of the Company. The Company's holding in GIL, as at Balance Sheet date is 31.30%. As a promoter of GIL, the Company has furnished following undertaking in respect of credit facilities Rs. 2, 82,900 Lacs and Foreign Currency loan of USD 175 million sacntioned by various lending institutions for GIL's second phase project of setting up telecom sites.

i. The Company along with Global Holding Corporation Private Limited (GHC) an associate, shall not reduce its shareholding in GIL below 26% and shall retain the management control of GIL.

ii. The Company shall bring or arrange Equity/ Preference Capital as envisaged by Phase II lenders.

iii. In case of cost overrun or shortfall, the Company shall bring and/or arrange additional capital within a period of 90 days from written demand by Creditor's Agent either in form of Equity or preference or subordinated loans.

iv. The Company shall not abandon the Project during the currency of Phase-II loans.

v. The Company shall ensure that GIL is provided with requisite technical, financial and managerial expertise to perform/discharge its obligation under the project.

b) The Company is holding in Global Projects & Aviation Private Limited (GPAL) as at Balance Sheet date is 19%. GPAL has been sanctioned Working Capital line of credit of Rs.50,000 Lacs. The Company has furnished various undertakings for the above referred line of credit which interalia provide as under :

i. he Company along with its associate Global Holding Corporation Private Limited (GHC) shall not reduce the shareholding in the GPAL below 51% (fifty one percent) The Company shall retain the management control of GPAL during the tenor of credit facilities.

ii. The Company along with its associate GHC shall ensure conversion of Redeemable Preference Shares issued by GPAL in to Equity Shares or compulsorily convertible instrument or shall ensure that the same shall be redeemed out of infusion of fresh equity or compulsorily convertible instrument by the promoters of GPAL.

iii. The Company shall Contribute towards the shortfall in the funds required by GPAL to complete the projects as defined in terms and conditions of credit facilities.

c) Global Rural Netco Limited (GRNL) is an associate of the Company and holds 42.86% Equity Capital of GRNL as at Balance Sheet date. GRNL has issued fully Convertible Debentures of Rs.25, 000 Lacs. The Company has furnished following undertaking for the above referred issue of fully Convertible Debenture.

i. The Company along with its associate Global Holding Corporation Private Limited (GHC) shall not reduce the shareholding in the total paidup equity capital of GRNL below 26% (twenty six percent) and retain the management control of GRNL till the sale of the FCDs and/or the conversion of FCDs by the Investor, whichever is later; and

ii. The Company along with GHC shall purchase FCDs on Put option if exercised by the Investor as per the terms detailed in the letter of Intent.

d) Chennai Network Infrastructure Limited (CNIL) is an associate of the Company. The Company holds 33.60% Equity Capital of CNIL as at Balance Sheet date. As sponsors to CNIL, the Company along with its associates Global Holding Corporation Private Limited and GTL Infrastructure Limited have agreed to hold and maintain at least 26% (Twenty Six percent) of the total paid-up Equity Share Capital of CNIL and to further contribute in the form of equity in future, if required to meet needs of CNIL and to replenish Debt Service Account Letter of Credit (DSRA LC), in the event DSRA LC is invoked by the lenders.

6. PRIOR PERIOD ITEMS.

Rs. In Lacs

Particulars	2009-10	2008-09
1. Income		
- Sales & Services	NIL	(394.13)
2. Expenses		
- Cost of Sales & Services	(89.84)	25.70
- Salaries and Allowances	NIL	(83.06)
- Rates & Taxes	(26.33)	14.16
- Exchange Variation	NIL	58.61
- Miscellaneous Expenses	NIL	53.68
- Interest and Finance Charges	12.76	NIL
3. Excess provision for tax - net of interest received/(short) provision for income tax including interest & Tax Deducted at Source	NIL	370.39
Total	**(103.41)**	**833.61**

7. EMPLOYEE STOCK OPTIONS

a. ESOP 2001

The Company obtained approval of the shareholders at the 13th AGM held on July 30, 2001, for allocation of 1,500,000 warrants convertible into equal number of equity shares to employees of the Company and 1,000,000 warrants convertible into equal number of equity shares to employees of its subsidiaries (in the form of warrants under ESOP-2001) at an exercise price, at a discount upto 25% of the closing market price of the Company's shares on the National Stock Exchange of India Ltd. (NSE) on the previous trading day of the date of allotment of warrants. The vesting schedule from the date of allotment under this grant is as under:

15% after 12 months
15% after 18 months
15% after 24 months
15% after 30 months
15% after 36 months
15% after 42 months
10% after 48 months

In this ESOP 2001 Scheme, the Company had granted 2,159,800 warrants to its Employees and 72,550 warrants to employees of its subsidiaries. This includes 793,611 and 44,950 warrants respectively lapsed/cancelled till date due to resignation. The lapsed/cancelled warrants were added back to the kitty for reissuance to the eligible employees from time to time.

b. ESOP 2002

The Company obtained further approval of the shareholders at the 14th AGM held on July 25, 2002, for allocation of 3,000,000 warrants convertible into equal number of equity shares to employees of the Company and similarly 1,000,000 equity shares to employees of its subsidiaries (in the form of warrants under ESOP 2002) at an exercise price, at a discount up to 25% of the Average Price of the weekly high and low of the closing prices of the Company's shares on the NSE, for the preceding six months of the month in which the Warrants are allotted.

In this ESOP 2002 Scheme, the Company had granted 4,189,130 warrants to its Employees and 1,219,850 warrants to employees of its subsidiaries. This includes 1,220,939 and 342,130 warrants respectively lapsed/cancelled till date due to resignation. The lapsed/cancelled warrants were added back to the kitty for reissuance to the eligible employees from time to time.

c. ESOP 2004

The Company obtained further approval of the shareholders at the 16th AGM held on September 16, 2004, for allocation of 3,000,000 warrants convertible into equal number of equity shares to employees of the Company and similarly 500,000 warrants convertible into equal number of equity shares to employees of its subsidiaries (in the form of warrants under ESOP 2004) at an exercise price, at a discount up to 25% of the Average Price of the weekly high and low of the closing prices of the Company's shares on the NSE, for the preceding six months of the month in which the Warrants are allotted.

In this ESOP 2004 Scheme, the Company had granted 3,191,000 warrants to its Employees and 223,900 warrants to employees of its subsidiaries. This includes 500,570 and 29,750 warrants respectively lapsed/cancelled till date due to resignation. The lapsed/cancelled warrants were added back to the kitty for reissuance to the eligible employees from time to time.

d. ESOP 2005

The Company obtained further approval of the shareholders at the 17th AGM held on September 27, 2005, for allocation of 3,500,000 warrants convertible into equal number of equity shares to employees of the Company and similarly 300,000 warrants convertible into equal number of equity shares to employees of its subsidiaries (in the form of warrants under ESOP 2005) at an exercise price, at a discount up to 25% of the Average Price of the weekly high and low of the closing prices of the Company's shares on the NSE or BSE, as the case may be where the volume of shares traded is more, in the preceding six months of the month in which the Warrants are allotted.

In this ESOP 2005 Scheme, the Company had granted 316,500 warrants to its Employees This includes 4,000 warrants lapsed/cancelled till date due to resignation. The lapsed/cancelled warrants were added back to the kitty for reissuance to the eligible employees from time to time.

e. ESOP 2008

The Company obtained further approval of the shareholders at the 20th AGM held on June 13, 2008, for allocation of 1,500,000 warrants convertible into equal number of equity shares to employees of the Company under this scheme(in the form of warrants under ESOP 2008) at an exercise price at a discount up to 25% of the Average Price of the weekly high and low of the closing prices for the preceding six months of the month in which the warrants are allotted or the closing market price on the previous trading day on which the warrants are allotted, whichever is lower, on the National Stock Exchange of India Limited or Bombay Stock Exchange Limited as the case may be where the volume of shares traded is more. In this ESOP 2008 Scheme, No grants have been issued to the Employees till date.

f. The vesting schedule for the grants issued under ESOP 2002, ESOP 2004, ESOP 2005 and ESOP 2008 Schemes is as under:

No of Years of Service of Employee as on Allotment date	Conversion at the end of				
	12 Months	18 Months	24 Months	30 Months	36 Months
≥ 5 years	100%	NIL	NIL	NIL	NIL
≥ 4 years	80%	20%	NIL	NIL	NIL
≥ 3 years	60%	20%	20%	NIL	NIL
≥ 2 years	40%	20%	20%	20%	NIL
≥ 1 year	20%	20%	20%	20%	20%

In order to give impetus of improved Stock market conditions to the employees and pursuant to the powers vested on the Board of Directors by the Shareholder, the Board in its meeting held on July 22,2009 decided to permit eligible employees to vest their options after the initial lock-in-period of 12 months

g. The Company applies intrinsic-value based method of accounting for determining Employee Compensation Expense for its ESOS. Had the Employee Compensation Expense been determined using the fair value approach, the Company's net profit and basic and diluted earnings per share as reported would have reduced to the proforma amounts as indicated below :-

Rs. in Lacs
(Other than EPS)

Particulars	For the Year ended on March 31, 2010	For the Year ended on March 31, 2009
Net Profit/(Loss) as Reported	15,836.05	9,143.61
Less : Employee Compensation Expense	60.44	473.95
Adjusted Proforma	157,75.61	8,669.66
Basic Earnings per share as reported	16.60	9.67
Proforma Basic Earnings per share	16.53	9.17
Diluted Earnings per share as reported	16.37	9.27
Proforma Diluted Earnings per share	16.30	8.79

The significant assumptions used during the year to estimate the fair value of the options :

Sr. No.	Particulars	2009-10	2008-09
1	Risk-free interest rate (%)	7.40	7.40
2	Expected life (years)	1 - 5	1 - 5
3	Volatilty (%)	15 - 90	19 - 90
4	Expected dividend yield (in Rupee per share)	3.00	3.00
5	The price of underlying shares in market at the time of option grant (since grant specific, varies from grant to grant) - in Rupees	92.55 304.10	92.55 249.70

h. **The following table summarize the Company's Stock option activity for ESOP**

Sr. No.	Particulars	For the Year ended on March 31, 2010		For the Year ended on March 31, 2009	
		No. of Shares	Weighted average exercise price Rupees	No. of Shares	Weighted average exercise price Rupees
i.	Outstanding at the beginning of the period	5,133,733	165.54	5,303,293	164.16
ii.	Granted during the period	73,500	239.31	200,000	165.00
iii.	Forfeited during the period	(167,203)	191.79	(220,486)	190.95
iv.	Exercised during the period	(2,001,312)	165.66	(149,074)	128.33
v.	Expired during the the period	NIL	NIL	NIL	NIL
vi.	Outstanding at the end of the period	3,038,980	165.80	5,133,733	165.54
vii.	Exercisable at the end of the period	3,018,980	165.37	3,891,058	159.65
viii.	Weighted average remaining contractual life (in years)	NA	1.02	NA	2.03
ix.	Weighted average Intrinsic value of options granted	NA	52.56	NA	56.75

8. **Employee Benefits:**

As per Accounting Standard 15 " Employee Benefit" the disclosure of Employee Benefit, as defined in Accounting Standard are given below:-

Defined Contribution Plan

Rs.in Lacs

Particulars	For the year ended on March 31, 2010	For the year ended on March 31, 2009
Employer's Contribution to Provident fund	288.29	246.77
Employer's Contribution to Pension fund	68.87	67.68
Total: -	**357.16**	**314.45**

Defined Benefit Plan

The employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India [LIC]. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognized in same manner as gratuity.

a. **Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

Rs.in Lacs

Particulars		Gratuity (Funded)		Compensated Absences (Unfunded)	
		2009-10	2008-09	2009-10	2008-09
Defined Benefit Obligation at beginning of the year	**(A)**	**512.50**	**352.34**	**239.44**	**193.02**
Current Service Cost	(B)	41.00	85.18	19.16	28.37
Current Interest Cost	(C)	110.07	28.19	50.88	15.44
Actuarial (gain) / loss	(D)	(15.54)	76.28	(52.71)	12.26
Less : Benefits paid	(E)	(38.30)	(29.49)	32.54	(9.65)
Defined Benefit Obligation at end of the year	**(A+B+C+D-E)**	**609.73**	**512.50**	**289.31**	**239.44**

b. **Reconciliation of opening and closing balances of fair value of the plan assets**

Rs.in Lacs

Particulars		Gratuity (Funded)	
		2009-10	2008-09
Fair Value of Plan asset at beginning of year	**(A)**	**79.89**	60.62
Expected Return on Plan Assets	(B)	6.39	4.85
Actuarial gain/ (loss)	(C)	3.20	NIL
Contributions	(D)	60.16	43.91
Less : Benefits paid	(E)	(15.54)	(29.49)
Fair Value of Plan asset at the end of year	**(A+B+C+D-E)**	**134.09**	79.89

c. **Reconciliation of present value of obligations and fair value of plan assets**

Rs.in Lacs

Particulars	**Gratuity (Funded)**		**Compensated Absences (Unfunded)**	
	2009-10	2008-09	**2009-10**	2008-09
Fair Value of Plan asset at the end of year	**432.61**	79.89	**NIL**	NIL
Present value of Defined Benefit Obligation at end of the year	**609.73**	512.50	**289.31**	239.44
Liability/ (Asset) recognised in the Balance Sheet	**(177.12)**	432.61	**289.31**	239.44

d. **Expense recognised during the year**

Rs. In Lacs

Particulars		**Gratuity (Funded)**		**Compensated Absences (Unfunded)**	
		2009-10	2008-09	**2009-10**	2008-09
Current Service Cost	(A)	41.00	85.18	50.88	28.37
Interest Cost	(B)	110.07	28.19	19.16	15.44
Expected Return on plan Assets	(C)	(6.39)	(4.85)	NIL	NIL
Actuarial (gain)/ loss	(D)	(41.49)	76.28	32.54	12.26
NetCostRecognised in Profit & Loss A/c	**(A +B–C+D)**	**103.19**	184.80	**102.58**	56.07

e. **Assumptions used to determine the defined benefit obligations:**

Particulars	**Gratuity (Funded)**		**Compensated Absences (Unfunded)**	
	2009-10	2008-09	**2009-10**	2008-09
Discount Rate (p.a.)	8.00%	9.00%	8.00%	9.00%
Estimated rate of return on plan assets (p.a.)	8.00%	9.00%	8.00%	9.00%
Expected rate of increase in salary (p.a.)	5.50%	5.50%	5.50%	5.50%

The expected rate of increase in salary for actuarial valuation is based on consideration of inflation, seniority, promotion, attrition and other relevant factors including supply and demand in the employment market. The above information is as per the certificate obtained from Actuary.

F. **Amounts for current and previous four periods are as follows :**

Gratuity (Funded)	2010	2009	2008	2007	2006
Defined Benefit Obligation	609.73	512.50	352.34	422.90	387.83
Plan Assets	134.09	79.89	61.62	15.63	66.79
Surplus / (Deficit)	(475.64)	(432.61)	(291.72)	(407.26)	(321.04)
Experience Adjustments On Plan Assets	0.35	NIL	*	*	*
Experience Adjustments On Plan Liabilities	51.64	76.28	*	*	*

* The required information is not furnished since the necessary information is not avaiable in acturial valuctions certificate.

9. **DISCLOSURE IN ACCORDANCE WITH SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Rs. in Lacs

Sr. No.	**Particulars**	**As at March 31 2010**	As at March 31 2009
a.	Principal amount remaining unpaid	NIL	NIL
b.	Interest due thereon	NIL	NIL
c.	Interest paid by the Company in term of Section 16	NIL	NIL
d.	Interest due and payable for the period of delay in payment	NIL	NIL
e.	Interest accrued and remaining unpaid	NIL	NIL
f.	Interest remaining due and payable even in succeeding years	NIL	NIL

10. **AUDITOR'S REMUNERATION**

Rs. In Lacs

Particulars	**As at March 31 2010**	As at March 31 2009
Statutory Audit Fees	33.09	33.71
Tax Audit Fees	7.17	4.49
VAT Audit Fees	3.31	8.43
Other Matters	0.33	1.18
Out of Pocket Expenses	0.49	1.31
Total	**44.39**	**49.12**

*** The above amounts are Inclusive of Service Tax.**

11. Additional information pursuant to the provisions of paragraph 3 (ii) (d) of Part II of the Schedule VI to the Companies Act, 1956: -

The Company is in the business of providing Network Services involving Network Planning & Designing, Network Deployment, Operation and Maintenance, Professional Services and Energy Management. In view of the composite nature of business activities, the company has not furnished the quantitative information as required under paragraph 3 (ii) (d) of Part II of Schedule VI.

12. MANAGERIAL REMUNERATION

a. Aggregate Managerial remuneration under Section 198 of the Companies Act, 1956 during the year is as under:

Rs. in Lacs

Particulars	As at March 31 2010	As at March 31 2009
Salary	109.84	116.95
Contribution to Provident Fund	8.64	8.64
Commission	473.74	44.48
Performance Link Bonus (PLB)	250.00	NIL
Gratuity	NIL	NIL
Leave Encashment	0.16	1.25
Total	842.38	171.32

b. Computation of net profit in accordance with Section 349 of the Companies Act,1956 and calculation of commission payable to non-whole-time directors:

Rs.in Lacs

Particulars	As at March 31 2010	As at March 31 2009
Profit after Tax but before Extraordinary items.	**15,836.05**	**10,143.61**
Add : Provision for Taxation charged in accounts.	3,933.37	2,134.92
Profit before Taxation as per Profit & Loss Account.	**19,769.42**	**12,278.53**
Add: Managerial remuneration charged in Profit & Loss Accounts	842.38	171.32
Add : Provision for bad debts & Advances	524.58	88.31
(Less)/Add: (Profit)/Loss on sale of fixed assets	(59.05)	(125.55)
Less : Profit on sale of investment	(1,654.37)	(156.56)
Less : Amount w/off against provision	(356.43)	(3.77)
Net Profit under Section 198 of the Companies Act,1956	**19,066.53**	**12,252.28**
Maximum Remuneration allowable under the Companies Act (restricted to 11% of net profit)	**2,097.36**	**1,347.75**
a) Commission Paybale to whole time director:		
Chairman and Managing Director	400.00	NIL
b) Commision payable to Non-Executive Directors	73.74	44.48
Aggregate commission payable	**473.74**	**44.48**
Maximum Remuneration allowable under the Companies Act to non-whole time directors	**190.67**	**122.52**

c. **Employee Stock Options (ESOP) to directors:**

Particulars	As on March 31, 2010 (Number of Warrants)	As on March 31, 2009 (Number of Warrants)
Outstanding warrants as on April, 2009	777,000	777,000
Add : Warrants issued in the year	NIL	NIL
Less : Converted into Equity Shares	278,000	NIL
Outstanding warrants as on March 31, 2010	**499,000**	**777,000**

13. VALUE OF IMPORTS OF MATERIAL ON C.I.F. BASIS

Rs. In Lacs

Particulars	As at March 31 2010	As at March 31 2009
Capital Goods	262.11	39.45
Trading Goods	NIL	NIL
Total	**262.11**	**39.45**

14. EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)

Rs. In Lacs

Particulars	As at March 31 2010	As at March 31 2009
i) Bank Interest	NIL	1,045.37
ii) Dividend	1,075.01	413.38
iii) Sales and Service	5,182.75	5,194.15
Total	**6,257.76**	**6,652.90**

15. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

Rs. In Lacs

Particulars	As at March 31 2010	As at March 31 2009
i) Travelling	317.05	164.63
ii) Interest	3,288.57	2,854.66
iii) Cost of Goods Sold & Services	NIL	1,512.91
iv) Commision to Non-executive Director	4.50	5.10
Total	**3,610.12**	**4,537.30**

16. REMITTANCE OF DIVIDEND IN FOREIGN EXCHANGE – NIL (NIL)

17. **RELATED PARTY DISCLOSURES**

a. Transactions with Ralated Party

Rs. In lacs

Sr. no.	Party Name	Transaction during the year April 09 to March 10 (Previous year April 08 to March 09)									
		Sales & Services	Reimbursement from	Assignment of Receivables	Collection agst. Assignment of Receivables	Dividend Income	Purchase of Investments	Redemption of Investments	Purchases/ Expenses	Reimbursement to	Purchase of Fixed Assets
1	**Subsidiaries**										
1a	International Global Tele Systems Limited	1,907.89	NIL	NIL	NIL	132.33	4,489.00	NIL	1,569.52	NIL	4,323.35
		(76.11)	(NIL)	(NIL)	(NIL)	(84.45)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
1b	GTL International Ltd.	681.07	NIL	NIL	NIL	942.68	1,345.50	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(291.09)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
1c	Ada Cellworks Wireless Engineering Pvt. Ltd.	NIL	52.99	NIL	NIL	NIL	NIL	NIL	796.64	2.58	NIL
		(NIL)	(122.08)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(272.61)	(NIL)	(NIL)
2	**Fellow subsidaries (Subsidaries of GTL International Ltd.)**										
2a	IGTL Solutions (USA) INC	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2b	GTL (Singapore) Pte Ltd	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	7.43	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2c	IGTL Solutions (Saudi Arabia) Limited	105.61	5.78	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(47.59)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2d	GTL Overseas M.E. FZ LLC	NIL	0.55	NIL	NIL	NIL	NIL	NIL	NIL	9.05	NIL
		(59.90)	(62.61)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(2.07)	(8.11)	(NIL)
2e	Pt. GTL Solutions (Indonesia) Ltd.	NIL	0.24	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(11.42)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2f	GTL Europe Limited (formerly Genesis Consultancy Limited)	36.30	120.56	NIL	NIL	NIL	NIL	NIL	NIL	5.37	NIL
		(1.55)	(207.58)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2g	A R Infrastructure (T) Ltd.	NIL	0.95	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2h	IGTL Solutions (Lanka) Private Limited (was subsidary of GTL Limited for part of the year)	NIL	3.86	NIL	NIL	NIL	NIL	NIL	NIL	6.20	NIL
		(9.46)	(8.55)	(NIL)	(NIL)	(37.83)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2i	A R Infrastructure (Kenya) Ltd.	NIL	5.16	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2j	GTL Network Services Malaysia SDN BHD	NIL	1.57	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2k	GTL Kenya Limited	53.35	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2l	GTL USA INC.	89.42	2.03	NIL	NIL	NIL	NIL	NIL	NIL	2.04	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
3	**Associates**										
3a	GTL Infrastructure Limited	96,712.22	229.55	10,789.71	6,477.71	NIL	4,200.60	NIL	5,382.79	NIL	NIL
		(83,051.39)	(767.36)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(6,633.36)	(NIL)	(118.91)
3b	Global Rural Netco Pvt. Ltd.	50.85	13.95	NIL	NIL	NIL	7,500.00	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
3c	Chennai Network Infrastructure Ltd.	NIL	NIL	NIL	NIL	NIL	33.60	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
4	**Companies/Firms in which significant influence exists,directly or indirectly**										
4a	Global Towers Ltd	24.59	89.95	NIL	NIL	NIL	NIL	NIL	3,267.93	NIL	1,326.56
		(10.22)	(351.22)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(6,844.03)	(NIL)	(NIL)
4b	Global Innovsource Search Solutions Pvt. Ltd.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(2.97)	(NIL)	(NIL)
4c	Global Innovsource Solutions Pvt. Ltd.	NIL	19.09	NIL	NIL	NIL	NIL	NIL	8,030.12	NIL	NIL
		(NIL)	(149.96)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(4,835.27)	(NIL)	(NIL)
4d	Global Projects & Aviation Pvt. Ltd	NIL	147.83	NIL	NIL	NIL	4,559.34	4,950.00	22,191.15	NIL	685.31
		(698.50)	(39.93)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(11,099.25)	(NIL)	(NIL)
4e	Finav Securities Pvt. Ltd.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	298.40	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(218.47)	(NIL)	(NIL)
4f	Global Asset Holding Corporation Private Limited	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	NIL
4g	Gajanan R. Tirodkar & Sons	NIL	NIL	NIL	NIL	NIL	NIL	NIL	13.79	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(45.04)	(NIL)	(NIL)

* Re-imbursement to includes Conference , Traveling , Electricity, Telephone & Other Expenses
* Chennai Network Infrastructure Ltd. Advances/ Deposit included Equity Share Application money

17. RELATED PARTY DISCLOSURES (Contd.)

a. Transactions with Ralated Party

Rs. In lacs

		Balance as at March 31, 2010 (March 31,2009)				
Sr.no.	**Party Name**	**Guarantees given**	**Investments**	**Receivables**	**Advances / Deposits**	**Payables (incl. Advance & Deposits received)**
1	**Subsidiaries**					
1a	International Global Tele Systems Limited	8,912.64 (14,116.11)	5,447.79 (958.79)	941.73 76.11	183.04 (NIL)	NIL (NIL)
1b	GTL International Ltd.	NIL (76.62)	22,294.70 (25,034.80)	681.07 (NIL)	NIL (264.40)	NIL (NIL)
1c	Ada Cellworks Wireless Engineering Pvt. Ltd.	300.00 (NIL)	1,345.50 (NIL)	42.33 (50.27)	NIL (NIL)	330.33 (63.62)
2	**Fellow subsidaries (Subsidaries of GTL International Ltd.)**					
2a	IGTL Solutions (USA) INC	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.64 (NIL)
2b	GTL (Singapore) Pte Ltd	NIL (31.49)	NIL (NIL)	NIL (NIL)	NIL (NIL)	3.74 (0.02)
2c	IGTL Solutions (Saudi Arabia) Limited	3,228.79 (1,889.71)	NIL (NIL)	0.27 (38.38)	NIL (NIL)	NIL (NIL)
2d	GTL Overseas M.E. FZ LLC	NIL (NIL)	NIL (NIL)	0.23 (45.96)	NIL (NIL)	25.60 (19.09)
2e	Pt. GTL Solutions (Indonesia) Ltd.	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2f	GTL Europe Limited (formerly Genesis Consultancy Limited)	NIL (NIL)	NIL (NIL)	11.27 (70.22)	NIL (NIL)	5.37 (NIL)
2g	A R Infrastructure (T) Ltd.	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2h	IGTL Solutions (Lanka) Private Limited (was subsidary of GTL Limited for part of the year)	801.23 (NIL)	NIL (NIL)	0.79 (29.93)	NIL (NIL)	8.63 (2.43)
2i	A R Infrastructure (Kenya) Ltd.	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2j	GTL Network Services Malaysia SDN BHD	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2k	GTL Kenya Limited	NIL (NIL)	NIL (NIL)	53.35 (NIL)	NIL (NIL)	NIL (NIL)
2l	GTL USA INC.	NIL (NIL)	NIL (NIL)	91.45 (NIL)	NIL (NIL)	2.04 (NIL)
3	**Associates**					
3a	GTL Infrastructure Limited	NIL (NIL)	39,808.64 (35,608.05)	NIL (27.14)	5,869.97 (2,787.72)	787.36 (12,478.53)
3b	Global Rural Netco Pvt. Ltd.	NIL (NIL)	7,500.00 (NIL)	65.23 (NIL)	NIL (NIL)	NIL (NIL)
3c	Chennai Network Infrastructure Ltd.	NIL (NIL)	33.60 (NIL)	NIL (NIL)	106,779.00 (NIL)	NIL (NIL)
4	**Companies/Firms in which significant influence exists,directly or indirectly**					
4a	Global Towers Ltd	NIL (NIL)	NIL (NIL)	189.21 (96.51)	562.39 (665.70)	307.10 (260.50)
4b	Global Innovsource Search Solutions Pvt. Ltd.	NIL (NIL)	NIL (NIL)	NIL (NIL)	2.33 (2.33)	NIL (NIL)
4c	Global Innovsource Solutions Pvt. Ltd.	NIL (NIL)	NIL (NIL)	NIL (NIL)	45.00 (50.00)	236.15 (30.16)
4d	Global Projects & Aviation Pvt. Ltd	21,000.00 (18,500.00)	5,380.90 (5,321.56)	30.72 (878.45)	42.64 (8,198.36)	158.84 (274.90)
4e	Finav Securities Pvt. Ltd.	NIL (NIL)	NIL (NIL)	NIL (NIL)	102.00 (102.00)	NIL (NIL)
4f	Global Asset Holding Corporation Private Limited	NIL (NIL)	NIL (NIL)	NIL (NIL)	21.40 (21.40)	NIL (NIL)
4g	Gajanan R. Tirodkar & Sons	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.50 (NIL)	NIL (NIL)

* Re-imbursement to includes Conference , Traveling , Electricity, Telephone & Other Expenses
* Chennai Network Infrastructure Ltd. Advances/ Deposit included Equity Share Application money

b. KEY MANAGERIAL PERSONNEL

Particulars of remuneration and other benefits paid to key management personnel during the year end March 31, 2010, is set out below:

Rs. in Lacs

Particulars	Salary	Contributions to provident and other funds	ESOP Outstanding (Nos.)	Commission
April 09 to March 10	109.84	8.64	499,000	650.00
April 08 to March 09	116.95	8.64	500,000	44.48

Name of the key managerial personnel

a Mr. Manoj Tirodkar, Chairman and Managing Director

b Mr. Charudatta Naik, Whole-time Director

18. DEFERRED TAX ASSET

The deferred Tax liability of Rs. 308.37 lacs (Rs.165.53 Lacs) is recognised in Profit & Loss Account for the period ended.

Deferred Tax Asset as at year-end is comprising of the following items:

Rs in Lacs

Particulars	As at March 31, 2010	As at March 31, 2009
Related to Fixed Assets	(1,046.05)	(1,626.08)
MTM Derivative	(993.84)	(827.04)
Provision for Bad Debts	0.65	59.81
Gratuity and Items considered under Section 438 of IT act 1961	(183.05)	(137.34)
Total	**(2,222.29)**	(2,530.65)

19. EARNINGS PER SHARE

(Other than EPS)

Particulars		April 09 - March 10	April 08 - March 09
BASIC EARNINGS PER SHARE			
Numerator for basic earning per share			
Profit before Tax & extra-ordinary & prior period items		19,769.43	12,278.53
Provision for Income Tax, Deferred Tax & FBT		(3,933.37)	(2,134.92)
Adjustment to net earning:			
Prior Period Adjustment			
Net Profit after Tax & Prior period item	(a)	15,836.05	10,143.61
Extra-ordinary items	(b)	NIL	(1,000.00)
Net Profit after Tax, Prior period & Extra-Ordinary item	(c)	**15,836.05**	9,143.60
Denominator for basic earning per share-			
Weighted average number of shares	(d)	95,417,226	94,579,388
Basic earning per share without Extra-ordinary Items	e=(a)/(d)	16.60	10.72
Basic earning per share with Extra-ordinary Items	f=(c)/(d)	**16.60**	9.67
Denominator for diluted earnings per share			
Effect of dilutive securities-Weighted average number of shares			
Weighted average number of shares		95,417,226	94,579,388
Possible Dilution:			
Conversion of Stock Options (number of shares)	(g)	1,340,543	4,091,773
Adjusted weighted average number of shares	h=(d+g)	96,757,770	98,671,161
Diluted earning per share without Extra-ordinary items	i=(a/h)	**16.37**	10.28
Diluted earning per share with Extra-ordinary items	j=(c)/(h)	**16.37**	9.27

20. FINANCIAL AND OTHER DERIVATIVE INSTRUMENTS:

a) Derivative contract entered into by the Company and outstanding as at year end.

Sr. No	Particulars	As at March 31, 2010 In USD Million	As at March 31, 2009 In USD Million
1	Interest Swap	150.00	150.00
2	Currency Swap	NIL	NIL
3	Options	NIL	NIL
4	Forward Cover	24.95	0.86

b) All Derivatives and Financial instruments are for hedging purpose only.

c) Net Foreign Currency exposures that are not hedged by the derivative instruments and forward contract as at March 31, 2010 for USD. 152.06 mn (USD. 163.24 mn).

Sr. No	Particulars	As at March 31, 2010 In USD Million	As at March 31, 2009 In USD Million
1	External Commercial Borrowings	150.00	150.00
2	Foreign Currency Letter of Credits/Bill's	3.01	8.90
3	Import Creditors	0.77	4.57
4	Export Debtors	1.72	0.23
	Total	**152.06**	**163.24**

d) Expenditure on account of premium on forward exchange contracts to be recognized in the profit and loss account of subsequent accounting period aggregates to Rs.25.92 lacs (Rs.20.83 lacs).

21. OPERATING LEASES

The Company lease agreements are in respect of operating lease for office premises, guesthouse, warehouses and vehicles. These lease agreements provide for cancellation by either parties there to as per the terms and condition of the agreements. The lease rental recognized to the profit & loss account during the year Rs.1,134.98 lacs (Rs.842.14 lacs). The lease agreements obligations due within five-years Rs.1,814.41 lacs (Rs.1, 048.38 lacs).

22. The Bank Balance with Non-Scheduled banks as at year end and the maximum balance there of during the period is as follows.

Rs. in Lacs

Name of the Bank	Bank Balance as on		Maximum Balance during the year	
	March 31, 2010	March 31, 2009	**2009-10**	2008-09
HSBC – Malaysia	8.99	9.83	9.83	9.83

23. In respect of Goods procured and supplied under agency arrangements, commission of Rs.2,598.38 Lacs (Previous Year Rs.1,927.98 lacs) is recognized as Income. During the year under these arrangements and as per the contractually agreed terms, the company by issuing acceptances has utilized its Non-fund based credit facilities of Rs.62,484.95 lacs (Previous Year Rs.55,130.45 lacs) for discharging the liability of principal for the goods procured. The receivables from the principal for the same as at the year-end are Rs.40,149.45 lacs (Rs.55,130.45 lacs). These receivables and the liability for acceptances as referred above are presented net in the Financial Statements.

24. The Company's associate Chennai Network Infrastructure Limited (CNIL) has agreed to purchase tower business of Aircel Limited and its subsidiaries (Aircel). In terms of sponsorship agreement in this regard, during the year the Company has paid Equity Share Application money Rs.106,778.60 lacs to CNIL and the said amount is shown under Loan & Advances.

25. The Company has entered into "Agreement for Assignment of Receivable" with GTL Infrastructure Limited (GIL).In terms of the said agreement, GIL has assigned receivables from its customer with regards to Energy Management to GTL. Out of the assigned Receivable during the year of Rs.10,579.14 lacs (Previous Year Rs. NIL), outstanding amount of Rs.4,312.01 lacs (Previous Year Rs. NIL) as at March 31, 2010 is shown under 'Other Current Assets"

26. IMPAIRMENT OF ASSETS

In Accordance with the Accounting Standard (AS-28) on "Impairment of Assets" the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash-generating unit. On the basis of this review carried out by the management, there was no impairment loss on fixed assets during the period ended March 31, 2010.

27. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financials statements forming part of the accounts with the Auditors report thereon are attached herewith.

28. SEGMENT REPORTING

Segment Reporting as per Accounting Standard 17 based on consolidated Financial Statements is forming part of Consolidated Financial Statement.

29. The Previous year's figures, wherever necessary, have been regrouped/rearranged/recast to make them comparable with those of the current year.

As per our report of even date

For Godbole Bhave & Co.
Chartered Accountants
A.S. Mahajan
Partner
Membership No.100483
FRN No. 114445W
Mumbai
April 20, 2010

For Yeolekar & Associates
Chartered Accountants
S.S. Yeolekar
Partner
Membership No. 36398
FRN No. 102489W

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

Charudatta Naik
Whole-time Director

Vijay Vij
Director

Milind Bapat
Sr. Vice President - Finance

Vidyadhar Apte
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No.	L99999MH1987PLC045657	State Code	11
Balance Sheet Date	March 31, 2010		

II CAPITAL RAISED DURING THE PERIOD (AMOUNT IN RS. THOUSANDS)

Public Issue	20,013	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	43,314,718	Total Assets	43,314,718

SOURCE OF FUNDS

Paid-up Capital	967,245	Resrves & Surplus	10,455,214
Secured Loans	NIL	Unsecured Loans	23,735,000

APPLICATION OF FUNDS

Net Fixed Assets	3,873,076	Investments	820,388
Net Current Asset	22,860,766	Miscellaneous Expenditure	NIL
Accumulated Losses	NIL	Deferred Tax Asset	222,228

IV PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)

Total Income	15,534,285	Total Expenditure	13,567,683
Profit Before Tax	1,966,602	Profit After Tax	1,583,605
Earning per share (Basic) (Rs.)	16.60	Dividend Rate %	30%
Earning per share (Diluted) (Rs.)	16.37		

V GENERAL NAMES OF THREE PRINCIPAL PRODUCT/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Product/Service Description	Item Code No.
Network Engineering Service	852510
Call Centre Service	847100

CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2010

		April 09 - March 10 Rupees	April 08 - March 09 Rupees
CASH FROM OPERATING ACTIVITIES			
Net Profit before tax, prior period and extraordinary items:		**1,966,602,098**	1,311,213,603
Adjustments for:			
Depreciation		480,062,540	434,121,772
Interest and Dividend Income		(715,942,454)	(447,588,913)
Provision for doubtful debts		51,145,394	8,830,700
Provision for doubtful advances		1,352,453	2,208,901
Debit/Credit balances and claims written off		40,112,347	8,979,341
(Profit)/Loss on sale of fixed assets		(5,904,699)	(12,554,571)
(Profit)/Loss on sale of Investments		(165,437,189)	(231,464,633)
Unrealised Exchange (Gain)/Loss		(595,015,392)	364,666,695
Employee Compensation Expenses under ESOP		(39,184,551)	20,611,726
Diminution in value of investments		NIL	6,162,198
Provision for Derivatives Loss (MTM)		49,072,710	(162,233,225)
Prior year adjustments		10,340,679	(83,360,990)
Operating profit before working capital changes		**1,077,203,936**	1,219,592,604
Adjustments for:			
Inventories		519,209,745	(530,386,502)
Receivables		774,413,220	(184,988,407)
Loans and advances		2,547,362,394	78,503,012
Other Current Assets		(431,200,534)	NIL
Trade payables		(1,501,047,241)	1,348,454,768
Other current liabilities and provisions		(1,228,570,044)	127,405,095
Cash generated from operations		**1,757,371,476**	2,058,580,570
Interest paid		903,628,124	736,816,497
Financial Charges		567,236,510	393,495,548
Direct taxes received / (paid)		(381,005,684)	(495,761,830)
Cash flow from Operating Activities		**2,847,230,426**	2,693,130,785
Extraordinary and Prior Period items:			
Extraordinary item		NIL	(100,000,000)
Net cash from operating activities:	**(A)**	**2,847,230,426**	2,593,130,785
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(664,626,240)	(1,830,813,012)
Sale of fixed assets		21,798,437	123,479,007
Purchase of Investments - Subsidiaries		(583,450,000)	NIL
Purchase of Investments - other than Subsidiaries *		(290,032,784,651)	(1,071,273,785)
Share Application Money towards Equity Investment in Chennai Network Infrastructure Limited		(10,677,860,000)	NIL
Sale of investments *		289,589,866,550	248,048,869
Sale of investments - Subsidiaries		NIL	1,653,704,177
Interest and Dividend Income		715,942,454	447,588,913
Net cash generated from/(used in) investing activities	**(B)**	**(11,631,113,451)**	(429,265,831)

CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2010

		April 09 - March 10 Rupees	April 08 - March 09 Rupees
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		20,013,120	1,490,740
Share Premium		348,097,011	19,823,094
Proceeds from Borrowings		23,100,000,000	2,500,000,000
Repayment of Borrowings		(8,600,000,000)	(500,000,000)
Interest paid		(815,466,969)	(685,072,432)
Financial Charges		(567,236,510)	(393,495,548)
Dividend paid		(284,169,459)	(283,722,237)
Dividend Distribution Tax		(48,294,600)	(48,218,594)
Net cash received from/(used in) financing activities	**(C)**	**13,152,942,593**	610,805,023
Net increase in cash and cash equivalents	**(A+B+C)**	**4,369,059,568**	2,774,669,978
Cash and cash equivalents (opening)		**8,914,390,710**	6,139,720,733
Cash and cash equivalents (closing)		**13,283,533,627**	8,914,390,710
Effect of Exchange rate changes		**(83,349)**	NIL
Cash and cash equivalents as restated		**13,283,450,278**	8,914,390,710

* Includes Purchase and Sale of Mutual Fund Units

Notes:

i) The above Cash Flow Statement has been prepared under the ‘Indirect Method’ as set out in Accounting Standard - 3 ‘Cash Flow Statement

ii) Figures in brackets indicate outflows.

iii) Cash and Cash Equivalents at the end of the year include Deposits with Banks agreegating to Rs. 28,443.76 lacs (Previous year (Rs.29,527.51 lacs)) which are pledged as mentioned in the Note No. 3 of Schedule S and also includes Rs. 165.24 lacs (Previous Year Rs.180.46 lacs) towards amount payable for Unclaimed Dividend.

iv) Previous year’s figures have been regrouped/rearranged/recasted wherever necessary to make them camparable with those of current year.

As per our report of even date

For Godbole Bhave & Co.
Chartered Accountants
A.S. Mahajan
Partner
Membership No.100483
FRN No. 114445W

For Yeolekar & Associates
Chartered Accountants
S.S. Yeolekar
Partner
Membership No. 36398
FRN No. 102489W

Mumbai
April 20, 2010

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

Charudatta Naik
Whole-time Director

Vijay Vij
Director

Milind Bapat
Sr. Vice President - Finance

Vidyadhar Apte
Company Secretary

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF GTL LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GTL LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached Consolidated Balance Sheet of GTL Limited (the Company)and its subsidiaries (collectively referred to as 'the group') as at March 31,2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statement are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. The Consolidated Financial Statements dealt with by this report include the financial results of the following subsidiaries which are not audited by us:

   a) International Global Tele-systems Limited and it's subsidiaries,

   b) GTL International Ltd and it's subsidiaries ;and

   c) Ada Cellworks Wireless Engineering Pvt. Ltd .

   The Consolidated Financial Statements reflect total assets of Rs.9,267,154,262/- as at March 31, 2010 , total revenues of Rs.7.932,179,769/- and cash flows of Rs.953,098,959 for the year then ended of the above subsidiaries. We have been furnished audited consolidated financial statements/ financial statements of the above subsidiaries and our opinion insofar as it relates to the amounts included in respect of these subsidiaries is based solely on audited financial statements furnished to us as stated herein above.

4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements , and Accounting Standard (AS) 23 " Accounting for Investments in Associates in Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules , 2006.

5. In our opinion and to the best of our information and according to the explanations given to us the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) in the case of the Consolidated Balance Sheet of the state of affairs of the Group as at March 31, 2010;

   b) in the case of the Consolidated Profit and Loss Account of the profit of the Group for the year ended on that date; and

   c) in the case of the Consolidated Cash Flow Statement ,of the Cash Flows of the Group for the year ended on that date.

For Godbole Bhave & Co.	**For Yeolekar & Associates**
Chartered Accountants	*Chartered Accountants*
A.S. Mahajan	**S.S. Yeolekar**
Partner	*Partner*
Membership Number 100483	Membership Number 36398
FRN No. 114445W	FRN No. 102489W

Mumbai
April 20, 2010

Consolidated Balance Sheet as at March 31, 2010

	Schedule	Rupees	As at March 31,2010 Rupees	As at March 31, 2009 Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
a) Share Capital	A	967,244,650		947,231,530
b) Reserves and Surplus	B	13,162,989,776		11,776,763,042
			14,130,234,426	12,723,994,572
Minority Interest			**4,579,218**	6,159,327
Loan Funds				
a) Secured Loans	C	NIL		NIL
b) Unsecured Loans	D	23,735,000,000		10,112,500,000
			23,735,000,000	10,112,500,000
TOTAL :			**37,869,813,644**	22,842,653,899
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	6,073,584,909		5,160,324,995
Less : Depreciation		2,671,632,090		2,098,336,701
Net Block		3,401,952,819		3,061,988,294
Capital Work-in-progress including Capital Advances		994,261,651		1,467,345,304
			4,396,214,470	4,529,333,598
Investments	F		**5,906,690,891**	5,477,419,018
Deferred Tax Asset			**235,143,854**	288,177,099
Current Assets, Loans and Advances				
a) Inventories	G	2,558,246,151		3,056,909,866
b) Sundry Debtors	H	3,676,333,222		4,432,552,126
c) Cash and Bank balances	I	15,738,027,820		10,415,785,944
d) Other Current Assets	J	431,200,534		NIL
e) Loans and Advances	K	14,292,573,743		6,418,312,076
		36,696,381,470		24,323,560,012
Less : Current Liabilities and Provisions				
a) Liabilities	L	8,724,174,248		11,217,397,821
b) Provisions		640,442,793		558,438,007
		9,364,617,041		11,775,835,828
Net Current Assets			**27,331,764,429**	12,547,724,184
TOTAL :			**37,869,813,644**	22,842,653,899
Statement of Significant Accounting Policies and Notes on Accounts form integral part of Accounts	S			

As per our report of even date

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

For Godbole Bhave & Co.
Chartered Accountants
A.S. Mahajan
Partner
Membership No.100483
FRN No. 114445W

For Yeolekar & Associates
Chartered Accountants
S.S. Yeolekar
Partner
Membership No. 36398
FRN No. 102489W

Charudatta Naik
Whole-time Director

Vijay Vij
Director

Milind Bapat
Sr. Vice President - Finance

Vidyadhar Apte
Company Secretary

Mumbai
April 20, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

	Schedule	April 09 - March 2010 Rupees	April 08- March 09 Rupees
INCOME			
Sales and Services (Net of Taxes)			
Exports		7,472,481,914	5,461,290,803
Domestic		14,896,937,538	13,989,628,217
		22,369,419,452	19,450,919,020
Other Income	M	23,230,404	29,217,590
TOTAL INCOME		**22,392,649,856**	19,480,136,610
EXPENDITURE			
Cost of Sales and Services	N	12,973,538,240	11,311,243,145
Cost of Delivery	O	3,777,030,360	3,316,620,982
Selling and Marketing Expenses	P	593,629,729	456,510,268
Administration and Other Expenses	Q	1,631,896,380	1,429,347,773
Finance Cost (Net)	R	364,154,376	742,532,579
Depreciation		594,288,055	528,448,551
TOTAL EXPENDITURE		**19,934,537,140**	17,784,703,298
Profit before Tax and Extraordinary and Prior Period items		**2,458,112,716**	1,695,433,312
Less: Provision For Taxation for current year			
Income Tax (Net of MAT credit receivable) & Wealth Tax		380,406,787	201,387,231
Deferred Tax		25,846,076	16,553,303
Fringe Benefit Tax		NIL	21,938,799
		406,252,863	239,879,333
Profit After Tax and Before Extraordinary and Prior Period Items		**2,051,859,853**	1,455,553,979
Less : Extraordinary item		NIL	(100,000,000)
Add / (Less) : Prior Period items		8,913,144	(83,360,990)
Profit After Tax and Extraordinary and Prior Period Items		**2,060,772,997**	1,272,192,989
Minority Interest		761,436	(2,118,957)
Share of Profit / (Loss) in associates		(784,048)	35,130,330
Reserve on consolidation		653,977	(183,639)
Add: Balance brought forward from Last Year		4,630,744,099	3,778,187,435
Profit available for Appropriation		**6,692,148,461**	5,083,208,158
APPROPRIATIONS			
Equity Dividend Proposed		299,290,335	284,169,459
		299,290,335	284,169,459
Dividend Distribution Tax		50,864,392	48,294,600
		50,864,392	48,294,600
Amount transferred to:			
General Reserve		200,000,000	120,000,000
Debenture Redemption Reserve		511,629,000	NIL
		711,629,000	120,000,000
Surplus carried to Balance Sheet		5,630,364,734	4,630,744,099
		6,692,148,461	5,083,208,158
Face Value of Equity Share - Rs.10 each			
Earnings Per Share excluding extra-ordinary items - Basic		21.60	14.86
- Diluted		21.30	14.24
Earnings Per Share including extra-ordinary items - Basic		21.60	13.80
- Diluted		21.30	13.23
Statement of Significant Accounting Policies and Notes on Accounts form integral part of Accounts	S		

As per our report of even date

For Godbole Bhave & Co.
Chartered Accountants
A.S. Mahajan
Partner
Membership No.100483
FRN No. 114445W
Mumbai
April 20, 2010

For Yeolekar & Associates
Chartered Accountants
S.S. Yeolekar
Partner
Membership No. 36398
FRN No. 102489W

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

Charudatta Naik
Whole-time Director

Vijay Vij
Director

Milind Bapat
Sr. Vice President - Finance

Vidyadhar Apte
Company Secretary

Schedules to the Consolidated Balance Sheet as at March 31, 2010

	Rupees	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
SCHEDULE A			
SHARE CAPITAL			
Authorised			
120,000,000 Equity Shares of Rs. 10 each		1,200,000,000	1,200,000,000
2,500,000 Preference Shares of Rs. 100 each		250,000,000	250,000,000
		1,450,000,000	1,450,000,000
Issued, Subscribed and Paid Up			
96,724,465 (94,723,153) Equity Shares of Rs.10 each fully paid-up		967,244,650	947,231,530
TOTAL		**967,244,650**	947,231,530
SCHEDULE B			
RESERVES AND SURPLUS			
Share Premium			
As per last Balance Sheet	1,900,710,601		1,880,887,507
Additions during the period :			
On Issue of Equity shares under ESOP	348,097,011		19,823,094
		2,248,807,612	1,900,710,601
Capital Reserve			
As per last Balance Sheet	25,374,301		25,374,301
Addition during year - Acquision of Subsidairy	103,053,521		NIL
		128,427,822	25,374,301
Capital Redemption Reserve			
As per last Balance Sheet		86,293,330	86,293,330
General Reserve			
As per last Balance Sheet	4,907,632,718		4,787,632,718
Transferred from Profit and Loss Account	200,000,000		120,000,000
		5,107,632,718	4,907,632,718
Debenture Redemption Reserve			
As per last Balance Sheet	NIL		NIL
transferred from Profit and Loss Account	511,629,000		NIL
		511,629,000	NIL
Translation Adjustment		61,851,662	88,728,173
Reserve on Consolidation		(628,960,390)	81,151,981
Employee Stock Option Outstanding			
As per last Balance Sheet	67,337,932		70,523,975
Addition / (Deletion) during the period	(38,494,341)		(3,186,043)
	28,843,591		67,337,932
Less : Deferred Compensation Expense			
As per last Balance Sheet	11,210,093		35,007,861
Addition / (Deletion) during the period	690,210		(23,797,768)
	11,900,303		11,210,093
		16,943,288	56,127,839
Surplus as per Profit and Loss Account		5,630,364,734	4,630,744,099
TOTAL		**13,162,989,776**	11,776,763,042

Schedules to the Consolidated Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
SCHEDULE C		
SECURED LOANS	NIL	NIL
TOTAL	**NIL**	NIL
SCHEDULE D		
UNSECURED LOANS		
Short Terms		
From Banks	3,000,000,000	2,500,000,000
Long Term *		
From Banks		
External Commercial Borrowing from Banks	6,735,000,000	7,612,500,000
From Others		
8% Rated Redeemable Unsecured Rupee Non-convertible Debentures	14,000,000,000	NIL
TOTAL	**23,735,000,000**	10,112,500,000
* Payable within One Year Rs.NIL (Rs.NIL)		

SCHEDULE E

FIXED ASSETS

(Rupees)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1,2009	Additions	Sale / Adjustment	As at March 31,2010	As at April 1,2009	For the Year Additions	Sale/ Adjustment	As at March 31,2010	As at March 31,2010	As at March 31,2009
Tangible Assets										
Goodwill	718,010,499	NIL	(461,021,733)	256,988,766	42,152,995	41,274,655	(72,065,081)	11,362,569	245,626,197	675,857,504
Land - Freehold	249,105	NIL	NIL	249,105	NIL	NIL	NIL	NIL	249,105	249,105
Leasehold	7,438,000	NIL	NIL	7,438,000	NIL	NIL	NIL	NIL	7,438,000	7,438,000
Buildings (including Leashold)	364,669,805	248,460,510	(17,449,763)	595,680,552	65,238,073	11,274,454	761,062	77,273,589	518,406,962	299,431,731
Plant and Equipments	538,324,528	249,026,599	18,213,003	805,564,130	417,766,972	116,349,031	28,084,946	562,200,949	243,363,182	120,557,557
Furniture and Fixtures	197,458,355	53,790,586	5,118,651	256,367,592	93,268,484	24,466,600	8,126,955	125,862,039	130,505,554	104,189,872
Office Equipments	114,737,494	49,443,009	12,464,556	176,645,059	66,564,171	13,109,222	5,338,936	85,012,329	91,632,730	48,173,322
Computers (including Software)	284,049,514	158,051,213	22,537,778	464,638,505	136,477,689	70,393,046	4,770,719	211,641,454	252,997,051	147,571,825
Networking Assets	2,536,543,024	7,078,559	NIL	2,543,621,583	1,040,516,716	263,044,470	NIL	1,303,561,186	1,240,060,397	1,496,026,309
Test and Repair Equipments	131,529,762	82,312,803	NIL	213,842,565	54,086,869	28,773,863	3,594,256	86,454,988	127,387,577	77,442,893
Vehicles	22,377,293	2,498,172	6,606,756	31,482,221	9,768,605	4,971,726	395,541	15,135,872	16,346,349	12,608,688
SUB TOTAL (A)	**4,915,387,379**	**850,661,451**	**(413,530,752)**	**5,352,518,078**	**1,925,840,574**	**573,657,067**	**(20,992,666)**	**2,478,504,975**	**2,874,013,102**	**2,989,546,804**
Intangible Assets										
Networking Software	219,202,268	NIL	NIL	219,202,268	152,871,553	9,827,342	NIL	162,698,895	56,503,373	66,330,715
Other than Networking Software	25,735,348	476,129,216	NIL	501,864,564	19,624,574	10,803,647	NIL	30,428,221	471,436,343	6,110,774
SUB TOTAL (B)	**244,937,616**	**476,129,216**	**NIL**	**721,066,832**	**172,496,127**	**20,630,989**	**NIL**	**193,127,116**	**527,939,716**	**72,441,489**
SUB TOTAL (A + B)	**5,160,324,995**	**1,326,790,667**	**(413,530,752)**	**6,073,584,909**	**2,098,336,701**	**594,288,055**	**(20,992,666)**	**2,671,632,090**	**3,401,952,819**	**3,061,988,293**
Capital work in progress including capital advances	1,467,345,304	236,419,556	(709,503,209)	994,261,651	NIL	NIL	NIL	NIL	994,261,651	1,467,345,304
TOTAL	**6,627,670,299**	**1,563,210,223**	**(1,123,033,961)**	**7,067,846,560**	**2,098,336,701**	**594,288,055**	**(20,992,666)**	**2,671,632,090**	**4,396,214,470**	**4,529,333,597**
PREVIOUS YEAR	**4,870,231,807**	**2,022,993,374**	**(265,554,882)**	**6,627,670,298**	**1,643,317,670**	**528,448,550**	**(73,429,518)**	**2,098,336,701**	**4,529,333,598**	**3,226,914,137**

Notes

1. Gross block of building includes subscription towards share capital of co-operative societies amounting to Rs.2,750/- (previous year Rs.2,750/-) and leased buildngs amounting to Rs.19,90,77,048/- (previous year Rs.19,90,77,048/-).
2. Addition to Software includes Depreciation on Assets used for Development of Software of RS. NIL (Previous year Rs.18,775,779/-)
3. Software includes intermally generated assets Rs. 72,657,716/- (previous year Rs. 72,657,716/-)
4. Capital Work In Progress includes Capital Advance of Rs.804,587,480/- (Previous Year 999,000,000/-)

Schedules to the Consolidated Balance Sheet as at March 31, 2010

			Number	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
SCHEDULE F					
INVESTMENTS					
SHORT TERM					
Quoted - (Non-Trade)					
Equity Shares in listed Companies - Fully paid - up					
Yuken India Ltd. (Face Value of Rs.10/- each)			NIL (88,028)	NIL	19,723,645
Less : Dimunition in value of Investment				NIL	(15,718,371)
Total of Trade Investments - Quoted		(A)		**NIL**	4,005,274
Unquoted - (Non-Trade)					
Renewable Interest bearing Fiduciary Deposit		(B)		**900,200,000**	1,021,000,000
Total of Short Term Investments		C = (A + B)		**900,200,000**	1,025,005,274
Long Term					
Quoted (Trade)					
Equity Shares in listed Companies - Fully paid - up					
GTL Infrastrucure Ltd. (Face Value of Rs.10/- each)	Refer S (Note 4 a)	(D)	299,686,460 (289,720,362)	**3,980,864,381**	3,560,804,747
Unquoted					
Investment in Companies - other than Subsidiaries Trade					
Equity Investments - fully paid up					
Global Projects & Aviation Pvt Ltd. (Face Value Of Rs.10/- each)	Refer S (Note 4 b)		12,350,000 (4,751,107)	538,089,720	82,156,140
Global Rural Netco Limited (Face Value of Rs.10/- each)	Refer S (Note 4 c)		75,000,000 (NIL)	750,000,000	NIL
Chennai Networks Infrastructure Limited (Face Value of Rs.10/- each)			335,960 (NIL)	3,359,600	NIL
Total of Equity Investment		(E)		**1,291,449,320**	82,156,140
Preference Investments - fully paid up					
.01% Cummulative Redeemable Preference shares- Global Proserve Ltd (Face Value of Rs.10/-each)			NIL (50,000,000)	NIL	500,000,000
6% Cumulative Redeemable Preference shares of Global Projects & Aviation Pvt Ltd (Face Value Of Rs.10/- each)			NIL (45,000,000)	NIL	450,000,000
Total of Preference Investment		(F)		**NIL**	950,000,000
Total of Investment in other than Subsidiaries - Trade		G = (E + F)		**1,291,449,320**	1,032,156,140

Schedules to the Consolidated Balance Sheet as at March 31, 2010

		Number	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
Non- Trade				
Equity Investment - fully paid - up				
Asia Bioenergy Ltd. (Face Value Of Rs.10/- each)		NIL (3,500,000)	NIL	35,000,000
Business India Ltd. (Face Value Of Rs.10/- each)		NIL (55,000)	NIL	550,000
Brickway Rating India Pvt Ltd. (Face Value Of Rs.10/- each)		80,000 (80,000)	20,000,000	20,000,000
Shyam Teleservices Limited (Face Value of Rs.10/- each)		NIL (166,740)	NIL	1,667,400
Fareast telecom Ltd (Face Value of US$ 1/- each)		1000 (1000)	49,271	49,271
Alfa Impex Telecom Ltd (Face Value of US$ 1/- each)		5,000 (NIL)	225,150	NIL
Total of Equity Investment - other than Subsidiary Companies - (Non-Trade)	(H)		**20,274,421**	57,266,671
Preference Investment - fully paid - up				
Brickway Rating India Pvt Ltd. (Face Value of Rs.10/-each)		NIL (3,000,000)	NIL	30,000,000
Total of Preference Investment - other than Subsidiary Companies (Non-Trade)	(I)		**NIL**	30,000,000
Total of Investment in Companies - other than Subsidiaries (Non-Trade)	J = (H + I)		20,274,421	87,266,671
Total of Un-quoted Investments	K =(G + J)		**1,311,723,741**	1,119,422,811
TOTAL OF INVESTMENTS	N = (C + M)		**6,192,788,122**	5,705,232,832
Less: Share of Loss of Investment in Associates (GTL Infrastructure Ltd. And Global Rural Netco Company Ltd.)	(O)		(286,097,231)	(227,813,815)
NET INVESTMENT (Net of Share of Loss of Investment in Associates)	P = (N - O)		**5,906,690,891**	5,477,419,018

Schedules to the Consolidated Balance Sheet as at March 31, 2010

Investments Purchased & Sold during the year
Mutual Fund Units

Name Of Investments	Face Value	Nos.	Cost
Axis Liquid Fund	1000	3,885,438	3,941,500,000
Baroda Pioneer Liquid Fund-Daily Dividend Plan	10	54,593,811	572,500,000
Bharti Axa Liquid Fund -Institutional Growth Plan	1000	242,647	263,500,000
Birla Sun Life Cash Manager*Institutional Plan-Growth	10	891,782,645	13,534,000,000
Birla Sun Life Cashplus -Instl Prem-Growth	10	219,896,537	3,210,500,000
Birla Sun Life Floating Rate Fund-Short Term-Ip-Growth	10	17,045,503	200,000,000
Birla Sunlife Savings Fund Inst - Growth	10	25,926,583	450,049,192
DBS Chola Liquid Sup Inst.Plan-Cumulative	10	365,296,578	4,574,215,000
Deutsche Insta Cash Plus Fund - Super Institutional Plan- Growth	10	36,716,444	424,000,001
DSP Black Rock Mutual Fund	1000	4,228,657	5,548,000,000
DSP Blackrock Floating Rate Fund-Institutional Plan-Growth	1000	113,922	150,016,658
DWS Insta Cash Plus Fund - Super Institutional Plan- Growth	10	549,819,588	6,492,000,000
Fidelity Mf	10	15,949,600	200,000,000
GCCG IDFC Cash Fund Super Inst Plan C Growth	10	134,502,990	1,500,000,000
Gfcg IDFC Money Manager Fund-Treasury Plan-Super Inst Plan C-Growth	10	46,055,241	500,049,384
HDFC Cash Management Fund - Savings Plus Plan Growth	10	1,001,109,557	19,096,500,001
HDFC Floating Rate Income Fund-Short Term Plan-Wholesale Option-Growth	10	147,532,002	2,300,235,135
HDFC Liquid Fund-Premium Plan-Growth	10	451,168,533	8,167,040,000
ICICI Prudential Flexible Income Plan Premium-Growth	100	5,315,706	904,101,608
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	100	126,287,312	17,112,650,000
ING Vysya Liquid Fund Super Institutional -Growth Option	10	212,649,765	2,899,950,000
JM High Liquidity Fund-Super Institutional -Growth (94)	10	53,770,500	774,000,000
JPLGR-JP Morgan India Liquid Fund-Growth Plan	10	1,095,141,971	12,803,300,000
JPPGR-JP Morgan India Treasury Fund-Super Inst.Growth Plan	10	58,677,423	700,075,200
Kotak Flexi Debt Scheme Institutional Growth	10	13,318,124	150,015,350
Kotak Floater Long Term-Growth	10	51,682,388	750,076,839
Kotak Liquid (Institutional Premium) - Growth	10	407,092,912	7,541,500,000
L & T Liq Sup Inst. Plan-Cumulative	10	30,776,745	388,500,000
LICMF Floating Rate Fund - Short Term Plan -Dividend Plan	10	19,689,303	200,000,000
LICMF Floating Rate Fund - Short Term Plan -Growth	10	496,693,379	7,205,168,789
LICMF Liquid Fund - Growth Plan	10	1,347,762,082	22,413,583,671
LICMF Savings Plus Fund - Growth Plan	10	34,424,355	500,044,738
Magnum Insta Cashfund-Cash Option	10	19,123,608	379,000,000
NFSG Canara Robeco Floating Rate Short Term Growth Fund	10	156,185,121	2,148,200,000
NLFSG Canara Robeco Liquid-Super Inst Growth Fund	10	904,280,762	10,051,500,000
NLPSG Canara Robeco Treasury Advantage Super Inst Growth Fund	10	36,227,920	500,053,975
Principal Cash Management Fund Liquid Option Inst.Prem Plan- Growth	10	226,498,602	3,232,500,000
Prudential Icici Institutional Liquid Plan-Super Institutional Growth	10	715,721,665	12,952,850,000
Reliance Floating Rate Fund-Growth Plan-Growth Option	10	2,095,008,274	29,983,500,000
Reliance Liquid Fund-Treasury Plan-Institutional Option-Growth Option-Growth Plan	10	206,207,762	4,595,000,000
Reliance Medium Term Fund-Retail Plan-Growth Plan-Growth Option	10	42,219,338	800,094,450
Reliance TP IP	20	11,500,704	250,000,000
Religare Liquid Fund	10	300,038,980	3,717,000,000
Religare Liquid Fund-Super Institutuional Growth	10	1,044,281,910	13,108,700,000
Religare Ultra Short Term Fund - Institutional Growth	10	71,568,876	900,085,973
SBI Magnum Insta Cash Fund Liquid Floater Plan-Growth	10	117,762,572	1,810,000,000
SBI Magnum Insta Cash Fund-Cash Option	20	67,095,836	1,361,500,000
SBI Premier Liquid Fund - Institutional- Growth	10	10,334,564	150,000,000
SBI Premier Liquid Fund - Super Institutional- Growth	10	829,591,263	11,944,500,000
SBNPP Money Fund Super Inst.Growth	10	21,836,504	420,000,000
Sundaram Bnp Paribas Money Fund Super Inst.Growth	10	10,574,981	198,000,000
Templeton Floating Rate Income Fund Short Term Plan Institutional Option-Gowth	10	248,767,153	3,294,500,001
Templeton India Treasury Management Account Super Institutional Plan-Gowth	1000	3,232,107	4,343,000,000
TFRSIG Tata Floationg Rate Short Term Inst. Plan - Growth	10	348,140,960	5,185,500,001
TLSG01 Tata Liquid Super High Inv.Fund-Appreciation	1000	3,687,846	6,237,500,000
UTI Money Market Fund	20	98,424,890	2,440,000,000
UTI Money Market Mutual Fund - Institutional Growth Plan	100	101,115,111	20,632,900,000
UTI - Treasury Advantage Fund - Institutional Plan (Growth Option)	1000	1,870,953	2,300,250,721

Schedules to the Consolidated Balance Sheet as at March 31, 2010

	As at March 31,2010 Rupees	As at March 31, 2009 Rupees
SCHEDULE G		
INVENTORIES		
Stores and Spares	NIL	496,474
Stock - in trade (including stock in transit)	2,352,662,757	2,546,497,651
Work in Progress	205,583,394	509,915,741
TOTAL	**2,558,246,151**	3,056,909,866
SCHEDULE H		
SUNDRY DEBTORS (Unsecured)		
Trade :		
Outstanding for over six months		
Considered Good	615,990,231	498,378,759
Considered doubtful	51,145,394	33,740,852
Less : Provision for doubtful debts	(51,145,394)	(33,740,852)
	615,990,231	498,378,759
Other Debts (Considered Good)	3,060,342,991	3,934,173,367
TOTAL	**3,676,333,222**	4,432,552,126
SCHEDULE I		
CASH AND BANK BALANCES		
Cash on hand	11,772,255	8,435,655
Cash at bank		
With Scheduled Banks		
- In Current Accounts	7,560,905,021	2,506,282,248
- In Fixed Deposits	5,619,910,772	6,286,639,435
With Others		
- In Non-Schedule Bank	899,820	983,169
- In International Banks of Subsidiaries	1,846,325,737	380,195,658
Cheques in Hand & Funds in Transit (Since realised)	698,214,215	1,233,249,779
TOTAL	**15,738,027,820**	10,415,785,944
SCHEDULE J		
OTHER CURRENT ASSETS		
Receivable on Account of assignment	431,200,534	NIL
	431,200,534	NIL
SCHEDULE K		
LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	2,690,560,166	4,798,694,191
Considered doubtful	3,561,354	2,208,901
Less : Provision for doubtful Advances	(3,561,354)	(2,208,901)
	2,690,560,166	4,798,694,191
Share Application Money towards Equity Investement in Chennai Network Infrastructure Limited	10,677,860,000	NIL
Deposits	180,442,149	957,162,768
Tax Paid/Deducted at Source (Net of Provision)	743,711,428	662,455,117
TOTAL	**14,292,573,743**	6,418,312,076
TOTAL OF CURRENT ASSETS, LOANS AND ADVANCES	**36,696,381,470**	24,323,560,012

Schedules to the Consolidated Balance Sheet as at March 31, 2010

	As at March 31,2010 Rupees	As at March 31, 2009 Rupees
SCHEDULE L		
CURRENT LIABILITIES & PROVISIONS		
A) Current Liabilities:		
Acceptance	4,712,082,675	6,223,156,030
Sundry Creditors	2,678,845,095	2,831,901,059
Investor Education and Protection Fund *	16,523,576	17,925,350
Interest accrued but not due on loans	162,141,426	73,980,271
Advance from Customers	369,993,348	1,518,783,320
Other liabilities	784,588,128	551,651,791
TOTAL	**8,724,174,248**	11,217,397,821
B) Provisions		
Provision for Gratuity	67,136,152	56,186,932
Provision for Leave Encashment	29,912,429	25,620,241
Provision for Derivatives Loss (MTM)	193,239,485	144,166,775
Proposed Dividend	299,290,335	284,169,459
Dividend Distrubution Tax	50,864,392	48,294,600
TOTAL	**640,442,793**	558,438,007
TOTAL OF CURRENT LIABILITIES & PROVISIONS	**9,364,617,041**	11,775,835,828

* Approproiate amount shall be transferred to “Investor Education and Protection Fund“ if and when due.

Schedules to the Consolidated Profit and Loss Account for the year ended March 31, 2010

	April 09 - March 10 Rupees	April 08 - March 09 Rupees
SCHEDULE M		
OTHER INCOME		
Miscellaneous Income	17,325,705	16,663,019
Profit on sale of fixed assets (Net)	5,904,699	12,554,571
TOTAL	**23,230,404**	29,217,590
SCHEDULE N		
COST OF SALES AND SERVICES		
Purchases	12,474,874,525	12,143,016,569
Add / (Less) : Decrease / (Increase) in Inventory	498,663,715	(831,773,424)
TOTAL	**12,973,538,240**	11,311,243,145
SCHEDULE O		
COST OF DELIVERY		
Salaries	1,561,574,415	1,326,326,028
Contribution to Provident and Other Funds	30,049,313	21,739,988
Staff Welfare Expenses	160,585,117	75,031,844
Staff Training and Recruitment Expenses	30,852,894	37,343,062
Outsourced Manpower Cost	1,275,359,085	1,061,660,216
Travelling and Conveyance Expenses	608,367,850	696,513,764
Communication Expenses	110,241,686	98,006,080
TOTAL	**3,777,030,360**	3,316,620,982
SCHEDULE P		
SELLING AND MARKETING EXPENSES		
Salaries	287,961,380	234,780,469
Contribution to Provident & Other Funds	6,629,471	7,073,564
Staff Welfare Expenses	20,053,043	11,825,928
Staff Training & Recruitment Expenses	421,490	1,401,326
Outsourced Manpower Cost	71,871,114	17,566,011
Travelling & Conveyance Expenses	30,630,004	28,281,686
Communication Expenses	5,441,960	9,557,097
Advertisement Expenses	2,455,352	3,799,880
Business Promotion Expenses	161,762,532	118,297,373
Freight Charges	1,318,644	4,869,538
Marketing Expenses	5,084,739	19,057,396
TOTAL	**593,629,729**	456,510,268

Schedules to the Consolidated Profit and Loss Account for the year ended March 31, 2010

	April 09 - March 10 Rupees	April 08 - March 09 Rupees
SCHEDULE Q		
ADMINISTRATION EXPENSES		
Salaries	460,653,662	482,329,125
Contribution to Provident Fund & Others	13,053,411	22,560,975
Staff Welfare Expenses	46,780,556	51,014,920
Staff Training & Recruitment Expenses	12,948,259	6,178,085
Outsourced Manpower Cost	2,951,163	13,082,787
Rent	168,226,387	156,796,792
Electricity Charges	37,077,299	41,893,949
Insurance	42,917,918	33,323,465
Travelling & Conveyance Expenses	73,118,093	57,174,103
Communication Expenses	85,455,076	72,563,709
Legal and Professional Fees	210,448,967	175,010,345
Director's Sitting Fees	650,000	580,000
Commission to Non-Executive Directors	7,374,000	4,447,500
Auditor's Remuneration	17,654,668	13,426,197
Repairs & Maintenance - Buildings	2,102,720	2,149,672
- Plant & Machinery	270,470	521,595
- Others	83,486,157	109,029,499
Provision for Doubtful Debts	100,829,570	11,983,464
Balances and Claims written off (Net)	45,988,690	22,488,797
Other Expenses	219,909,313	152,792,794
	1,631,896,380	1,429,347,773
SCHEDULE R		
FINANCE COST (NET)		
Interest Income		
Interest - Bank Deposits	370,838,285	274,377,890
- Others	289,622,346	198,691,129
Total of Interest Income	**660,460,631**	473,069,019
Less:		
Interest Expense		
Interest - Term loan	737,639,921	713,372,014
- Debentures	156,493,151	
- Others	38,762,514	78,639,236
Total of Interest Expense	**932,895,586**	792,011,250
Net Interest Expense	**(272,434,955)**	(318,942,231)
Other Financial Income		
Dividend		
-from other investments	114,575	603,130
Profit / (Loss) on sale of Short term Investments (Net of diminution in value of Investment)	69,400,189	15,656,085
Profit / (Loss) on sale / redemption of Long term Investments	72,675,000	209,646,350
Total of Other Financial Income	**142,189,764**	225,905,565
Total of Interest (Net) and Other Financial Income	**(130,245,191)**	(93,036,666)
Less:		
Finance Charges	618,370,771	439,907,636
Exchange Loss / (Gain)	(384,461,586)	209,588,277
TOTAL	**364,154,376**	742,532,579

SCHEDULE "S"

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR END MARCH 31, 2010.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation:

a. The Financial statement relates to GTL Limited and its subsidiary companies. The list of companies considered for consolidation and basis of consolidation is as follows.

Sr No.	Name of the subsidiary company	Country of Incorporation	Proportion of ownership interest and relationship	Financial year ended on
1	**International Global Tele-Systems Limited**	**Mauritius**	**100% subsidiary of GTL Limited**	31st March
1.a	IGTL Solutions (Mauritius) Limited	Mauritius	100% subsidiary of International Global Tele-Systems Limited	31st March
2	**GTL International Ltd.**	**Bermuda**	**100% subsidiary of GTL Limited**	31st March
2.a	GTL (Singapore) Pte Ltd	Singapore	100% subsidiary of GTL International Ltd	31st March
2.b	IGTL Solutions (Saudi Arabia) Limited	Saudi Arabia	90% subsidiary of GTL International Ltd	31st December
2.c	GTL Overseas (Middle East) FZ LLC (formerly IGTL Solutions M.E.FZ LLC)	UAE	100% subsidiary of GTL International Ltd	31st March
2.d	GTL International Nigeria Limited (Formerly IGTL Solutions (Nigeria) Limited)	Nigeria	100% subsidiary of GTL International Ltd	31st March
2.e	Pt. GTL Indonesia (Formerly Pt. IGTL Solutions Indonesia Ltd.)	Indonesia	100% subsidiary of GTL International Ltd	31st March
2.f	GTL Europe Limited	UK	100% subsidiary of GTL International Ltd	31st March
2.g	Genesis Consultancy Australia Pty Ltd	Australia	100% subsidiary of GTL Europe Limited (formerly Genesis Consultancy Limited)	31st March
2.h	GTL telecommunication Irlend Ltd. (Formerly Genesis Telecommunications Ireland Ltd)	Ireland	100% subsidiary of GTL Europe Limited (formerly Genesis Consultancy Limited)	31st March
2.i	GTL Networks Services Malaysia Sdn Bhd (formerly Ada Cell works Sdn. Bhd.)	Malaysia	100% subsidiary of GTL International Ltd	31st March
2.j	Ada Cellworks (Thailand) Co Ltd	Thailand	100% subsidiary of GTL Networks Services Malaysisia Sdn Bhd	31st March
2.k	IGTL Network services Phillippines Inc. (Formerly Ada Cellworks, Inc.)	Phillipines	100% subsidiary of GTL Networks Services Malaysisia Sdn Bhd	31st March
2.l	GTL China Ltd (Formely Ada Cellworks Co. Ltd)	China	100% subsidiary of GTL Networks Services Malaysisia Sdn Bhd	31st March
2.m	Ada Cellworks Pte Ltd	Singapore	100% subsidiary of GTL Networks Services Malaysisia Sdn Bhd	31st March
2.n	Pt. Ada Cellworks Indonesia	Indonesia	100% subsidiary of GTL Networks Services Malaysisia Sdn Bhd	31st March
2.o	GTL Taiwan Co. Ltd. (Formerly Ada Cellworks (Taiwan) Co. Ltd)	Taiwan	100% subsidiary of GTL Networks Services Malaysisia Sdn Bhd	31st March
2.p	GTL Australia Pty Ltd (Formerly Ada Cellworks Pty Ltd)	Australia	100% subsidiary of GTL Networks Services Malaysisia Sdn Bhd	31st March
2.q	GTL USA Inc.	USA	100% subsidiary of GTL International Ltd	31st March
2.r	GTL Managed Services (UK) Limited	UK	100% subsidiary of GTL International Ltd	31st March
2.s	GTL International Lanka (Private) Limited (Formerly IGTL Solutions Lanka (Private) Limited	Sri Lanka	100% subsidiary of GTL International Ltd	31st March
2.t	GLT Kenya Limited (Formerly A. R. Infrastructure (Kenya) Limited)	Kenya	100% subsidiary of GTL International Ltd	31st March
2.u	GTL Tanzania Limited (Formerly A. R. Infrastructure (Tanzania) Limited)	Tanzania	100% subsidiary of GTL International Ltd	31st March
2.v	GTL International Bangladesh Pvt. Ltd	Bangladesh	100% subsidiary of GTL Europe Limited	31st March
2.w	GTL Canada Inc.	Canada	100% subsidiary of GTL International Ltd	31st March
2.x	GTL Vietnam Company Limited	Vietnam	100% subsidiary of GTL International Ltd	31st March
3	**ADA Cell works Wireless Engineering Pvt. Ltd. ***	**India**	**100% subsidiary of GTL Limited**	**31st March**

a) *Ada Cell works Wireless Engineering Pvt. Ltd. (subsidiary of GTL Netwroks Services Malaysia Sdn Bhd) became subsidiary of GTL Limited during the year.

b) The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance and intra-group transactions in accordance with Accounting Standard (AS – 21) "Consolidated Financial Statements".

c) GTL Panama S.A. has not started its operations and not issued Equity Share Capital as at March 31, 2010.

d) All inter company balances and transactions between the Company, its subsidiaries and 2nd layer subsidiaries have been eliminated in the consolidation. The usual financial year end of GTL Limited and GTL International Limited is March 31st.

e) In case of foreign subsidiaries, being non-integral foreign operation, revenue items are converted at weighted average rate for the Financial Year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized as the "Translation Adjustment" and Shown in Reserves and Surplus.

2. Other Significant Accounting Policies:

These are set out under "Significant Accounting Policies" as given in the "Schedule S" of Standalone Financial Statements of GTL Limited.

B. NOTES TO ACCOUNTS

1. SEGMENTATION

In terms of Accounting Standard 17 on Segment Reporting, the company has a single reporting segment i.e. Network Services.

Geographical revenues are segregated based on the location of the respective clients. USA includes specific billing in United States of America, Asia/Europe comprises all Asian countries including India and Europe includes continental Europe (both east and the west) and the United Kingdom; Middle East and others include all other places except those mentioned above.

Geographical Segment

Rs. In Lacs

Particulars	USA	Asia/ Europe	Middle East	Others	Total
Sales & Services (Apr'09 to Mar'10)	13,880.24	1,63,975.39	10,417.95	35,420.61	223,694.19
Sales & Services (Apr'08 to Mar'09)	2,819.00	1,75,319.00	11,013.00	5,358.00	1,94,509.00

2. RELATED PARTY DISCLOSURES

a) Trasactions with related party

Rs. in Lacs

		Transaction during the year April 09 to March 10 (Previous year April 08 to March 09)									
Sr.no.	Party Name	Sales & Services	Reimbursement from	Assignment of Receivables	Collection agst. Assignment of Receivables	Dividend Income	Purchase of Investments	Redemption of Investments	Purchases/ Expenses	Reimbursement to	Purchase of Fixed Assets
1	**Associates**										
1a	GTL Infrastructure Limited	96,712.22	229.55	10,789.71	6,477.71	NIL	4,200.60	NIL	5,382.79	NIL	NIL
		(83,051.39)	(767.36)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(6,633.36)	(NIL)	(118.91)
1b	Global Rural Netco Pvt. Ltd.	50.85	13.95	NIL	NIL	NIL	7,500.00	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
1c	Chennai Network Infrastructure Ltd.	NIL	NIL	NIL	NIL	NIL	33.60	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2	**Companies/Firms in which significant influence exists,directly or indirectly**										
2a	Global Towers Ltd	24.59	89.95	NIL	NIL	NIL	NIL	NIL	3,267.93	NIL	1,326.56
		(10.22)	(351.22)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(6,844.03)	(NIL)	(NIL)
2b	Global Innovsource Search Solutions Pvt. Ltd.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(2.97)	(NIL)	(NIL)
2c	Global Innovsource Solutions Pvt. Ltd.	NIL	19.09	NIL	NIL	NIL	NIL	NIL	8,030.12	NIL	NIL
		(NIL)	(149.96)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(4,835.27)	(NIL)	(NIL)
2d	Global Projects & Aviation Pvt. Ltd	NIL	147.83	NIL	NIL	NIL	4,559.34	4,950.00	22,191.15	NIL	685.31
		(698.50)	(39.93)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(11,099.25)	(NIL)	(NIL)
2e	Finav Securities Pvt. Ltd.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	298.40	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(218.47)	(NIL)	(NIL)
2f	Global Asset Holding Corporation Private Limited	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	NIL
2g	Gajanan R. Tirodkar & Sons	NIL	NIL	NIL	NIL	NIL	NIL	NIL	13.79	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(45.04)	(NIL)	(NIL)

Rs. In lacs

		Balance as at March 31, 2010 (March 31,2009)				
Sr.no.	Party Name	Guarantees given	Investments	Receivables	Advances / Deposits	Payables (incl. Advance & Deposits received)
1	**Associates**					
1a	GTL Infrastructure Limited	NIL	39,808.64	NIL	5,869.97	787.36
		(NIL)	(35,608.05)	(27.14)	(2,787.72)	(12,478.53)
1b	Global Rural Netco Pvt. Ltd.	NIL	7,500.00	65.23	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
1c	Chennai Network Infrastructure Ltd.	NIL	33.60	NIL	106,779.00	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
2	**Companies/Firms in which significant influence exists,directly or indirectly**					
2a	Global Towers Ltd	NIL	NIL	189.21	562.39	307.10
		(NIL)	(NIL)	(96.51)	(665.70)	(260.50)
2b	Global Innovsource Search Solutions Pvt. Ltd.	NIL	NIL	NIL	2.33	NIL
		(NIL)	(NIL)	(NIL)	(2.33)	(NIL)
2c	Global Innovsource Solutions Pvt. Ltd.	NIL	NIL	NIL	45.00	236.15
		(NIL)	(NIL)	(NIL)	(50.00)	(30.16)
2d	Global Projects & Aviation Pvt. Ltd	21,000.00	5,380.90	30.72	42.64	158.84
		(18,500.00)	(5,321.56)	(878.45)	(8,198.36)	(274.90)
2e	Finav Securities Pvt. Ltd.	NIL	NIL	NIL	102.00	NIL
		(NIL)	(NIL)	(NIL)	(102.00)	(NIL)
2f	Global Asset Holding Corporation Private Limited	NIL	NIL	NIL	21.40	NIL
		(NIL)	(NIL)	(NIL)	(21.40)	(NIL)
2g	Gajanan R. Tirodkar & Sons	NIL	NIL	NIL	0.50	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)

* Re-imbursement to includes Conference , Traveling , Electricity, Telephone & Other Expenses, * Chennai Network Infrastructure Ltd. Advances/ Deposit included Equity Share Application money

b) Key Managerial Personnel

Particulars of remuneration and other benefits paid to key management personnel during the year end March 31, 2010, is set out below: **Rs. in Lacs**

Particulars	Salary	Contributions to provident and other funds	ESOP Outstanding (Nos.)	Gratuity	Leave Encashment	Commission/ Performance Linked Bonus
April 09 to March 10	109.84	8.64	499,000	NIL	0.16	650.00
April 08 to March 09	116.95	8.64	500,000	NIL	1.25	44.48

Name of the key managerial personnel

1. Mr. Manoj G. Tirodkar, Chairman and Managing Director
2. Mr. Charudatta Naik, Whole-time Director

3. CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND PROVISIONS FOR UNASCERTAINED EXPENSES.

Rs. in Lacs

Particulars	As at March 31, 2010	As at March 31, 2009
a. Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) (cash out flow is expected on execution of such contracts on progressive basis.)	5,559.63	3,635.93
b. Contingent Liabilities Not Provided for		
i) Claims against the Company not acknowledge as debts	167.69	26.20
ii) Guarantees given by Banks on behalf of the Company	51,397.26	40,283.79
iii) Performance Guarantees issued to banks on behalf of Associates & Affiliates	22,800.00	16,113.97
iv) Financial Guarantees given by Company to Associates & Affiliates	21,000.00	18,500.00
v) Performance Guarantees given by Company to Third Party/ies	1,445.62	615.26
vi) Disputed Sales tax liabilities in respect of pending appeals. (Amount deposited Rs.96.36 lacs (Previous Year Rs. 51.67 lacs)	9,498.23	314.80
vii) Bill Discounted (Net of Margin & Insurance Cover)	7,246.77	18,057.85
viii) Disputed Income tax liability in respect of pending case before the Appellate Authorities.	115.46	205.73

No cash out flow is expected in near future in respect of Note number 3(b) (i) to (viii).

C. Provision For Unascertained Expenses

Rs. in Lacs

Particulars	Derivative Losses		Warrantee	
	As at March 31, 2010	As at March 31, 2009	**As at March 31, 2010**	As at March 31, 2009
Opening Balance	1,441.67	3,064.00	25.86	99.55
Additional Provisions during the year	490.72	1,084.70	NIL	88.15
Less: Utilisation during the year	NIL	(2,707.03)	NIL	NIL
Less : Unutilized provision reversed during the year	NIL	NIL	(11.21)	(161.84)
Closing Balance	**1,932.39**	**1,441.67**	**14.65**	**25.86**

4. a) GTL Infrastructure Ltd (GIL) is an associate of the Company. The Company's holding in GIL, as at Balance Sheet date is 31.30%. As a promoter of GIL, the Company has furnished following undertakings in respect of credit facilities of Rs. 2, 82,900 Lacs and Foreign Currency loan of USD 175 million sacntioned by various lending institutions for GIL's second phase project of setting up telecom sites.

i) The Company along with the Global Holding Coporation Private Limited (GHC) an associate, shall not reduce the shareholding in GIL below 26%. The Company shall retain the management control of GIL.

ii) The Company shall bring or arrange Equity/Preference Capital as envisaged by Phase II lenders.

iii) In case of cost overrun or shortfall, the Company shall bring and/ or arrange additional capital within a period of 90 days from written demand by Creditor's Agent either in form of Equity or preference or subordinated loans.

iv) The Company shall ensure that GIL will not abandon the Project during the currency of Phase-II loans.

v) The company shall ensure that GIL is provided with requisite technical, financial and managerial expertise to perform/discharge its obligation under the project.

b) The Company holding in Global Projects and Aviation Private Limited (GPAL). as at Balance SHeet date is 19%. GPAL has been sanctioned Working Capital line of credit of Rs.50,000 Lacs. The Company has furnished various undertaking for the above referred line of credit which interalia provide as under :

i) The Company along with its associate Global Holding Corporation Private Limited (GHC) shall not reduce the shareholding in GPAL below 51% (fifty one percent) The Company shall retain the management control of GPAL during the tenor of credit facilities.

ii) The Company along with its associate GHC shall ensure conversion of Redeemable Preference Shares issued by GPAL in to Equity Shares or compulsorily convertible instrument or shall ensure that the same shall be redeemed out of infusion of fresh equity or compulsorily convertible instrument by the promoters of GPAL.

iii) The Company shall Contribute towards the shortfall in the funds required by GAPL to complete the projects as defined in terms and conditions of credit facilities.

c) Global Rural Netco Limited (GRNL) is an associate of the Company. The Company holds 42.86% Equity Capital of GRNL as at Balance Sheet date. GRNL has issued fully Convertible Debentures of Rs.25, 000 Lacs. The Company has furnished following undertaking for the above referred issue of fully Convertible Debenture.

i) The Company along with its associate Global Holding Corporation Private Limited (GHC) shall not reduce the shareholding in the total paidup equity capital of GRNL below 26% (twenty six percent) and retain the management control of GRNL till the sale of the FCDs and/or the conversion of FCDs by the Investor, whichever is later; and

ii) The Company along with GHC shall purchase FCDs on Put option if exercised by the Investor as per the terms detailed in the letter of Intent.

d) Chennai Network Infrastructure Limited (CNIL) is an associate of the Company. The Company holds 33.60% Equity Capital of CNIL as at Balance Sheet date. As sponsors to CNIL, the Company along with its associates Global Holding Corporation Private Limited and GTL Infrastructure Limited have agreed to hold and maintain at least 26% (Twenty Six percent) of the total paid-up Equity Share Capital of CNIL and to further contribute in the form of equity in future, if required to meet needs of CNIL and to replenish Debt Service Account Letter of Credit (DSRA LC), in the event (DSRA LC) is invoked by the lenders.

5. PRIOR PERIOD ITEMS

Rs. in Lacs

	Particulars	2009 - 10	2008 - 09
1.	**Income**		
	- Sales and Services	NIL	(394.13)
2.	**Expenses**		
	- Cost of Goods Sold	NIL	25.70
	- Salaries and Allowances	NIL	(83.06)
	- Rates & Taxes	NIL	14.16
	- Exchange Variation	NIL	58.61
	- Miscellaneous Expenses	12.75	53.68
3.	Excess provision for tax - net of interest received/(short) provision for income tax including interest & Tax Deducted at Source	(116.16)	370.39
	Total	**(103.41)**	833.61

6. EMPLOYEE STOCK OPTIONS

a) ESOP 2001

The Company obtained approval of the shareholders at the 13th AGM held on July 30, 2001, for allocation of 1,500,000 warrants convertible into equal number of equity shares to employees of the Company and 1,000,000 warrants convertible into equal number of equity shares to employees of its subsidiaries (in the form of warrants under ESOP-2001) at an exercise price, at a discount upto 25% of the closing market price of the Company's shares on the National Stock Exchange of India Ltd. (NSE) on the previous trading day of the date of allotment of warrants. The vesting schedule from the date of allotment under this grant is as under:

- 15% after 12 months
- 15% after 18 months
- 15% after 24 months
- 15% after 30 months
- 15% after 36 months
- 15% after 42 months
- 10% after 48 months

In this ESOP 2001 Scheme, the Company had granted 2,159,800 warrants to its Employees and 72,550 warrants to employees of its subsidiaries. This includes 793,611 and 44,950 warrants respectively lapsed/cancelled till date due to resignation. The lapsed/cancelled warrants were added back to the kitty for reissuance to the eligible employees from time to time.

b) ESOP 2002

The Company obtained further approval of the shareholders at the 14th AGM held on July 25, 2002, for allocation of 3,000,000 warrants convertible into equal number of equity shares to employees of the Company and similarly 1,000,000 equity shares to employees of its subsidiaries (in the form of warrants under ESOP 2002) at an exercise price, at a discount up to 25% of the Average Price of the weekly high and low of the closing prices of the Company's shares on the NSE, for the preceding six months of the month in which the Warrants are allotted.

In this ESOP 2002 Scheme, the Company had granted 4,189,130 warrants to its Employees and 1,219,850 warrants to employees of its subsidiaries. This includes 1,220,939 and 342,130 warrants respectively lapsed/cancelled till date due to resignation. The lapsed/cancelled warrants were added back to the kitty for reissuance to the eligible employees from time to time.

c) ESOP 2004

The Company obtained further approval of the shareholders at the 16th AGM held on September 16, 2004, for allocation of 3,000,000 warrants convertible into equal number of equity shares to employees of the Company and similarly 500,000 warrants convertible into equal number of equity shares to employees of its subsidiaries (in the form of warrants under ESOP 2004) at an exercise price, at a discount up to 25% of the Average Price of the weekly high and low of the closing prices of the Company's shares on the NSE, for the preceding six months of the month in which the Warrants are allotted.

In this ESOP 2004 Scheme, the Company had granted 3,191,000 warrants to its Employees and 223,900 warrants to employees of its subsidiaries. This includes 500,570 and 29,750 warrants respectively lapsed/cancelled till date due to resignation. The lapsed/cancelled warrants were added back to the kitty for reissuance to the eligible employees from time to time.

d) ESOP 2005

The Company obtained further approval of the shareholders at the 17th AGM held on September 27, 2005, for allocation of 3,500,000 warrants convertible into equal number of equity shares to employees of the Company and similarly 300,000 warrants convertible into equal number of equity shares to employees of its subsidiaries (in the form of warrants under ESOP 2005) at an exercise price, at a discount up to 25% of the Average Price of the weekly high and low of the closing prices of the Company's shares on the NSE or BSE, as the case may be where the volume of shares traded is more, in the preceding six months of the month in which the Warrants are allotted.

In this ESOP 2005 Scheme, the Company had granted 316,500 warrants to its Employees This includes 4,000 warrants lapsed/cancelled till date due to resignation. The lapsed/cancelled warrants were added back to the kitty for reissuance to the eligible employees from time to time.

e) ESOP 2008

1. The Company obtained further approval of the shareholders at the 20th AGM held on June 13, 2008, for allocation of 1,500,000 warrants convertible into equal number of equity shares to employees of the Company under this scheme(in the form of warrants under ESOP 2008) at an exercise price at a discount up to 25% of the Average Price of the weekly high and low of the closing prices for the preceding six months of the month in which the warrants are allotted or the closing market price on the previous trading day on which the warrants are allotted, whichever is lower, on the National Stock Exchange of India Limited or Bombay Stock Exchange Limited as the case may be where the volume of shares traded is more. In this ESOP 2008 Scheme, No grants have been issued to the Employees till date.

f) The vesting schedule for the grants issued under ESOP 2002, ESOP 2004, ESOP 2005 and ESOP 2008 Schemes is as under:

No. of Years of Service of Employee as on Allotment date	Conversion at the end of				
	12 months	18 months	24 months	30 months	36 months
≥ 5 years	100%	NIL	NIL	NIL	NIL
≥ 4 years	80%	20%	NIL	NIL	NIL
≥ 3 years	60%	20%	20%	NIL	NIL
≥ 2 years	40%	20%	20%	20%	NIL
≥ 1 year	20%	20%	20%	20%	20%

In order to give impetus of improved Stock market conditions to the employees and pursuant to the powers vested on the Board of Directors by the Shareholder, the Board in its meeting held on July 22,2009 decided to permit eligible employees to vest their options after the initial lock-in-period of 12 months.

g) The Company applies intrinsic-value based method of accounting for determining Employee Compensation Expense for its ESOS. Had the Employee Compensation Expense been determined using the fair value approach, the Company's net profit and basic and diluted earnings per share as reported would have reduced to the proforma amounts as indicated below :-

(Other than EPS)

Particulars	For the Year ended on March 31, 2010	For the Year ended on March 31, 2009
Net Profit/(Loss) as Reported	20,614.04	13,050.21
Less : Employee Compensation Expense	60.44	473.95
Adjusted Proforma	20,553.60	12,576.26
Basic Earnings per share as reported	21.60	14.86
Proforma Basic Earnings per share	21.54	13.30
Diluted Earnings per share as reported	21.30	14.24
Proforma Diluted Earnings per share	21.24	12.75

The significant assumptions used during the year to estimate the fair value of the options :

Sr. No.	Particulars	2009-10	2008-09
1	Risk-free interest rate (%)	7.40	7.40
2	Expected life (years)	1 - 5	1 - 5
3	Volatilty (%)	15 - 90	19 - 90
4	Expected dividend yield (in Rupee per share)	3.00	3.00
5	The price of underlying shares in market at the time of option grant (since grant specific, varies from grant to grant) - in Rupees	92.55 - 304.10	92.55 - 249.70

h) The following table summaries the Company's Stock option activity for ESOP

Sr. No.	Particulars	For the Year ended on March 31, 2010		For the Year ended on March 31, 2009	
		No. of Shares	Weighted average exercise price Rupees	No. of Shares	Weighted average exercise price Rupees
i.	Outstanding at the beginning of the period	5,133,733	165.54	5,303,293	164.16
ii.	Granted during the period	73,500	239.31	200,000	165.00
iii.	Lapsed during the period	(167,203)	191.79	(220,486)	190.95
iv.	Exercised during the period	(2,001,312)	165.66	(149,074)	128.33
v.	Expired during the period	NIL	NIL	NIL	NIL
vi.	Outstanding at the end of the period	3,038,980	165.80	5,133,733	165.54
vii.	Exercisable at the end of the period	3,018,980	165.37	3,891,058	159.65
viii.	Weighted average remaining contractual life (in years)	NA	1.02	2.03	NA
ix.	Weighted average Intrinsic value of options granted	NA	52.56	NA	56.75

7. EMPLOYEE BENEFITS:

As per Accounting Standard 15 " Employee Benefit" the disclosure of Employee Benefit, as defined in Accounting Standard are given below:-

Defined Contribution Plan

Rs. in Lacs

Particulars	For the year ended on March 31, 2010	For the year ended on March 31, 2009
Employer's Contribution to Provident fund	288.29	246.77
Employer's Contribution to Pension fund	68.87	67.68
Total	**357.16**	314.45

Defined Benefit Plan

The employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India [LIC]. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognized in same manner as gratuity.

a. **Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

Rs. in Lacs

Particulars		Gratuity (Funded)		Compensated Absences (Unfunded)	
		2009-10	2008-09	**2009-10**	2008-09
Defined Benefit Obligation at beginning of the year	(A)	**512.50**	352.34	**239.44**	193.02
Current Service Cost	(B)	41.00	85.18	19.16	28.37
Current Interest Cost	(C)	110.07	28.19	50.88	15.44
Actuarial (gain)/loss	(D)	(15.54)	76.28	(52.71)	12.26
Less : Benefits paid	(E)	(38.30)	29.49	32.54	9.65
Defined Benefit Obligation at end of the year	(A+B+C+D-E)	**609.73**	512.50	**289.31**	239.44

b. **Reconciliation of opening and closing balances of fair value of the plan assets**

Rs. in Lacs

Particulars		Gratuity (Funded)	
		2009-10	2008-09
Fair Value of Plan asset at beginning of year	(A)	**79.89**	60.62
Expected Return on Plan Assets	(B)	6.39	4.85
Actuarial gain/ (loss)	(C)	3.20	NIL
Contributions	(D)	60.16	43.91
Less : Benefits paid	(E)	(15.54)	29.49
Fair Value of Plan asset at the end of year	**(A+B+C+D-E)**	**134.09**	79.89

c. **Reconciliation of present value of obligations and fair value of plan assets**

Rs. in Lacs

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2009-10	2008-09	**2009-10**	2008-09
Fair Value of Plan asset at the end of year	**432.61**	79.89	**NIL**	NIL
Present value of Defined Benefit Obligation at end of the year	609.73	512.50	289.31	239.44
Liability/(Asset) recognised in the Balance Sheet	**(177.12)**	432.61	**289.31**	239.44

d. **Expense recognised during the year**

Rs. in Lacs

Particulars		Gratuity (Funded)		Compensated Absences (Unfunded)	
		2009-10	2008-09	**2009-10**	2008-09
Current Service Cost	(A)	41.00	85.18	50.88	28.37
Interest Cost	(B)	110.07	28.19	19.16	15.44
Expected Return on plan Assets	(C)	(6.39)	4.85	NIL	NIL
Actuarial (gain)/ loss	(D)	(41.49)	76.28	32.54	12.26
Net Cost Recognised in Profit & Loss A/c	**(A+B–C+D)**	**103.19**	184.80	**102.58**	56.07

e. **Assumptions used to determine the defined benefit obligations :**

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2009-10	2008-09	**2009-10**	2008-09
Mortality Table (LIC) (1994-96 Ultimate)				
Discount Rate (p.a.)	8.00%	9.00%	8.00%	9.00%
Estimated rate of return on plan assets (p.a.)	8.00%	9.00%	8.00%	9.00%
Expected rate of increase in salary (p.a.)	5.50%	5.50%	5.50%	5.50%

The estimates of rate of increase in salary considered in actuarial valuation, taking into account, inflation, seniority, promotion, attrition and other relevant factors including supply and demand in the employment market. The above information is certified by Actuary.

F. **Amounts for current and previous four periods are as follows :**

Gratuity (Funded)	**2010**	**2009**	**2008**	**2007**	**2006**
Defined Benefit Obligation	609.73	512.50	352.34	422.90	387.83
Plan Assets	134.09	79.89	60.62	15.63	66.79
Surplus / (Deficit)	(475.64)	(432.61)	(291.72)	(407.26)	(321.40)
Experience Adjustments On Plan Assets	0.35	NIL	*	*	*
Experience Adjustments On Plan Liabilities	51.64	76.28	*	*	*

* The required information is not furnished since the necessary information is not avaiable in acturial valuctions certificate.

8. EARNINGS PER SHARE

Rs. in Lacs (Other than EPS)

Particulars		April 09 to March 10	April 08 to March 09
BASIC EARNINGS PER SHARE			
Numerator for basic earnings per share			
Profit before Tax & extra-ordinary & prior period items		24,670.26	16,120.71
Provision for Income Tax, Deferred Tax & FBT		(4,062.53)	(2,398.79)
Adjustment to net earnings:			
Prior Period Adjustment		-	
Minority Interest		7.61	(21.19)
Share of Profit/(Loss) in associates		(7.84)	351.30
Reserve on consolidation		6.54	(1.84)
Net Profit after Tax & Prior period item	(a)	20,614.04	14,050.20
Extra-ordinary items	(b)	NIL	(1,000)
Net Profit after Tax, Prior period & Extra-ordinary item	(c)	20,614.04	13,050.20
Denominator for basic earnings per share -	(d)	95,417,226	94,579,388
Weighted average number of shares			
Basic earnings per share without			
Extra-ordinary items	e=[(a)/(d)]	21.60	14.86
Basic earnings per share with			
Extra-ordinary items	f-[(c)/(d)]	21.60	13.80
Denominator for diluted earnings per share			
Effect of dilutive securities-			
Weighted average number of shares		95,417,226	94,579,399
Possible Dilution :			
Conversion of Stock Options (number of shares)	(g)	1,340,543	4,091,773
Adjusted weighted average number of shares	h=(d+g)	95,417,226	94,579,388
Diluted earnings per share without			
Extra-ordinary items	i=(a/h)	21.30	14.24
Diluted earnings per share with			
Extra-ordinary items	j=(c)/(h)	21.30	13.23

9. DEFERRED TAX ASSET/LIABILITY

The deferred Tax (Asset)/ liability of Rs. 2,351.44 lacs (Deferred Tax Asset Rs. 2,881.71 Lacs) is recognized in Profit & Loss Account for the period ended.

Deferred Tax Asset as at year-end comprises of the following items:

Rs. in Lacs

Particulars	As at March 31, 2010	As at March 31, 2009
Related to Fixed Assets	(1,179.94)	(1,977.20)
MTM Derivative	(993.84)	(827.04)
Provision for Bad Debts	0.65	59.81
Gratuity and items considered under section 43B of the Income Tax Act, 1961	(178.31)	(137.34)
Total	**(2,351.44)**	(2,881.77)

10. FINANCIAL AND OTHER DERIVATIVE INSTRUMENTS:

a) Derivative contract entered into by the Company and outstanding as at year-end. For Hedging Currency and interest rate related risks:

Sr. No.	Particulars	As at March 31, 2010 USD in Million	As at March 31, 2009 USD in Million
1	Interest Swap	150.00	150.00
2	Currency Swap	NIL	NIL
3	Options	NIL	NIL
4	Forward Cover	24.95	0.86

b) All derivatives and financial instruments by the company are for hedging purpose only.

c) Net Foreign Currency exposures that are not hedged by the derivative instruments and forward contract as at March 31, 2010 for USD.152.06 mn (USD. 163.24 mn).

Sr. No.	Particulars		As at March 31, 2010 USD in Million	As at March 31, 2009 USD in Million
1	External Commercial Borrowings	(A)	150.00	150.00
2	Foreign Currency Letter of Credits	(B)	3.01	8.90
3	Import Creditors	(C)	0.77	4.57
4	Export Debtors	(D)	1.72	0.23
	Total	(A+B+C-D)	**152.06**	163.24

d) Expenditure on account of premium on forward exchange contracts to be recognized in the profit and loss account of subsequent accounting period aggregates to Rs. 25.92 lacs (Rs.20.83 lacs).

11. In respect of Goods procured and supplied under agency arrangements, commission of Rs.2,598.38 Lacs (Previous Year Rs.1, 927.98 lacs) is recognized as Income. During the year under these arrangements and as per the contractually agreed terms, the company by issuing acceptances has utilized its Non-fund based credit facilities of Rs.62,484.95 lacs (Previous Year Rs.55,130.45 lacs) for discharging the liability of principal for the goods procured. The receivables from the principal for the same as at the year-end are Rs.40,149.45 lacs (Rs.55,130.45 lacs). These receivables and the liability for acceptances as referred above are presented net in the Financial Statements.

12. The Company's associate Chennai Network Infrastructure Limited (CNIL) has agreed to purchase tower business of Aircel Limited and its subsidiaries (Aircel). In terms of sponsorship agreement in this regard, during the year the Company has paid Equity Share Application money Rs.106, 778.60 lacs to CNIL and the said amount is shown under loan & advances.

13. The Company has entered into "Agreement for Assignment of Receivable" with GTL Infrastructure Limited (GIL).In terms of the said agreement, GIL has assigned receivables from its customer with regards to Energy Management to GTL. Out of the assigned Receivable during the year of Rs.10,579.14 lacs (Rs. NIL), outstanding amount of Rs.4,312.01 lacs (Rs. NIL) as at March 31, 2010 is shown under 'Other Current Assets"

14. INVESTMENTS IN ASSOCIATES IN CONSOLIDATED FINANCIAL STATEMENT (CFS)

The Company has accounted investment in its associates under the crieria set under (AS-23) on 'Accounting for Investment in Associate in Consolidated Financial Statement", using Equity method and has classified these Investments as long term. The details of Company's holding in its associated as at March 31, 2010 and the accounting period considered for computing share of profit/loss are as follows :

Name of the Associate	%holding as at March 31, 2010	Accounting period ending on
GTL Infrastructure Limited	31.30%	December 31, 2009 (Un-audited)
Chennai Network Infrastructure Limited	32.30%	March 31, 2010 (Un-audited)
Global Rural Netco Limited	42.86%	March 31, 2010 (Un-audited)

<u>**GTL Solutions Thailand Ltd**</u>

GTL Singapore Limited, wholly owned subsidiary of GTL International Limited (Wholly owned subsidiary of the Company) holds 49% Equity Shares of IGTL Solutions (Thailand) Ltd. In the Consolidated Financials of GTL International, 100 % diminution in value of Investment in iGTL Solutions (Thailand) Ltd. is recognised in the Financial Year ended March 31st, 2008 and accordingly as per para 18 of (AS 23) on "Accounting for Investment in Associate in Consolidated Financial Statement" , GTL International has discontinued recognising its share of losses in its associate, IGTL Solutions (Thailand Limited)

15. IMPAIRMENT OF ASSETS

In Accordance with the Accounting Standard (AS-28) on "Impairment of Assets" the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash-generating unit. On the basis of this review carried out by the management, there was no impairment loss on fixed assets during the year-end March 31, 2010.

16. The Previous year's figures, wherever necessary, have been regrouped/ rearranged/recast to make them comparable with those of the current year.

As per our report of even date

For Godbole Bhave & Co.
Chartered Accountants
A.S. Mahajan
Partner
Membership No.100483
FRN No. 114445W

For Yeolekar & Associates
Chartered Accountants
S.S. Yeolekar
Partner
Membership No. 36398
FRN No. 102489W

Mumbai
April 20, 2010

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

Charudatta Naik
Whole-time Director

Vijay Vij
Director

Milind Bapat
Sr. Vice President - Finance

Vidyadhar Apte
Company Secretary

Consolidated Cash Flow for the Year Ended March 31, 2010

		April 09 - March 10 Rupees	April 08 - March 09 Rupees
CASH FROM OPERATING ACTIVITIES			
Net Profit before tax, prior period and extraordinary items:		**2,458,112,716**	**1,695,433,312**
Adjustments for:			
Depreciation		594,288,055	528,448,551
Interest and Dividend Income		(660,575,206)	(473,672,149)
Provision for doubtful debts		99,477,117	11,983,464
Provision for doubtful advances		1,352,453	2,208,901
Debit/Credit balances and claims written off		45,988,690	22,488,797
(Profit)/Loss on sale of fixed assets		(5,904,699)	(12,554,571)
(Profit)/Loss on sale of Investments (excluding Diminution in Value of nvestment		(142,075,189)	(231,464,633)
Unrelised Exchange (Gain) / Loss		(869,025,392)	874,146,695
Employee Compensation Expenses under ESOP		(39,184,551)	20,611,726
Diminution in value of investments		NIL	6,162,198
Provision for Derivatives Loss (MTM)		49,072,710	(162,233,225)
Prior year adjustments		8,913,144	(83,360,990)
Operating profit before working capital changes		**1,540,439,848**	**2,198,198,076**
Adjustments for:			
Inventories		498,663,715	(831,773,424)
Receivables		607,384,010	(838,196,603)
Loans and advances		2,883,502,191	737,775,002
Other Current Assets		(431,200,534)	NIL
Trade payables		(1,628,535,685)	1,065,316,767
Other current liabilities and provisions		(942,796,504)	36,432,307
Cash generated from operations		**2,527,457,041**	**2,367,752,125**
Interest paid		932,895,586	792,011,250
Financial Charges		618,370,771	439,907,636
Direct taxes received / (paid)		(461,663,098)	(520,847,232)
Cash flow from Operating Activities		**3,617,060,300**	**3,078,823,779**
Extraordinary items:			
Extraordinary item		NIL	(100,000,000)
Net cash from operating activities:	**(A)**	**3,617,060,300**	**2,978,823,779**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(853,707,013)	(1,941,792,448)
Sale of fixed assets		398,442,785	123,479,007
Purchase of investments *		(290,032,784,651)	(1,617,820,785)
Share Application Money towards Equity Investment in Chennai Network Infrastructure Limited		(10,677,860,000)	NIL
Sale of investments *		289,687,304,551	698,241,045
Interest and Dividend Income		660,575,206	473,672,149
Minority,Share of Loss in Associates & Reserve on Consolidation & Investment in Associates		(522,537,009)	288,521,360
Net cash generated from/(used in) investing activities	**(B)**	**(11,340,566,131)**	**(1,975,699,672)**

Consolidated Cash Flow for the Year Ended March 31, 2010

		April 09 - March 10 Rupees	April 08 - March 09 Rupees
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		20,013,120	1,490,740
Share Premium		348,097,011	19,823,094
Proceeds from Borrowings		23,100,000,000	2,500,000,000
Repayment of Borrowings		(8,600,000,000)	(500,000,000)
Interest paid		(844,734,431)	(740,267,185)
Financial Charges		(618,370,771)	(439,907,636)
Dividend paid		(284,169,459)	(283,722,237)
Dividend Distribution Tax		(48,294,600)	(48,218,594)
Translation adjustment		(26,876,511)	293,119,599
Net cash received from/(used in) financing activities	**(C)**	**13,045,664,359**	802,317,781
Net increase in cash and cash equivalents	**(A+B+C)**	**5,322,158,528**	1,805,441,888
Cash and cash equivalents (opening)		**10,415,785,944**	8,610,344,056
Cash and cash equivalents (closing)		**15,738,027,820**	10,415,785,944
Effect of Exchange rate changes		**(83,349)**	NIL
Cash and cash equivalents as restated		**15,737,944,471**	10,415,785,944

* Includes Purchase and Sale of Mutual Fund Units

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

ii) Figures in brackets indicate outflows.

iii) Cash and Cash Equivalents at the end of the year include Deposits with Banks agreegating to Rs.47,437.76 lacs (Previous year (Rs.29,527.51 lacs) which are pledged and also includes Rs.165.24 lacs (Previous Year Rs.180.46 lacs) towards amount payable for unclaimed Dividend

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

As per our report of even date

For Godbole Bhave & Co.
Chartered Accountants
A.S. Mahajan
Partner
Membership No.100483
FRN No. 114445W

For Yeolekar & Associates
Chartered Accountants
S.S. Yeolekar
Partner
Membership No. 36398
FRN No. 102489W

Mumbai
April 20, 2010

For and on behalf of the Board

Manoj G. Tirodkar
Chairman & Managing Director

Charudatta Naik
Whole-time Director

Vijay Vij
Director

Milind Bapat
Sr. Vice President - Finance

Vidyadhar Apte
Company Secretary

Section 212(8) of Companies Act,1956 for the financial year ended on 31 March, 2010
All figures are in the functional currency stated against the Company

Sr No.	Name of the susbsidary company	Functional Currency	Capital	Reserves	Total Liabilities	Total Assets	Details of Investment (except in case of investment in subsidaries)	Turnover	Profit before tax	Provision for taxation	Profit after Tax	Proposed dividend (Equity / Preference)	Remarks
A	**International Global Tele-Systems Limited**	USD	12,762,615	61,482,241	24,322,733	98,567,589	20,000,000	72,698,506	7,318,482	50,441	7,268,041	276,262	
A.1	IGTL Solutions (Mauritius) Limited	MUR	100,000	(14,097,924)	17,473,672	3,475,748	-	-	-	-	-	-	Non-operational
B	**GTL International Ltd.**	USD	50,000,000	11,349,896	39,807,875	101,157,771	-	21,052,254	7,442,322	-	7,442,322	1,742,917	-
B.1	GTL (Singapore) Pte Ltd	USD	300,883	25,793,455	645,529	26,739,867	-	1,211,590	113,169	18,891	94,278	-	-
B.2	IGTL Solutions (Saudi Arabia) Limited	SAR	2,000,000	2,178,659	43,727,189	47,905,848	-	48,202,823	172,553	43,773	128,780	-	Approval Awaited (Note 1)
B.3	GTL Overseas M.E. FZ LLC	AED	500,000	50,847,050	6,321,721	57,668,771	-	36,638,920	7,440,686	-	7,440,686	-	-
B.4	GTL International (Nigeria) Limited	USD	78,125	(167,713)	1,951,176	1,861,588	-	2,339,793	(236,917)	-	(236,917)	-	-
B.5	Pt. GTL (Indonesia)	IDR	1,124,375,000	(16,235,185,216)	35,815,459,396	20,704,649,180	-	15,527,088,061	(11,364,381,449)	(2,156,644,262)	(9,207,737,187)	-	-
B.6	GTL Europe Limited	GBP	500,000	223,925	6,170,886	6,894,811	-	19,255,762	128,790	187,519	(58,729)	-	-
B.7	Genesis Consultancy Australia Pty Ltd	AUD	100	359,650	173,489	533,239	-	216,778	(24,434)	3,455	(27,889)	-	-
B.8	Genesis Telecommunications Ireland Ltd.	EUR	1	609,732	1,106,850	1,716,583	-	1,036,442	14,483	3,033	11,450	-	-
B.9	GTL Network Services Malaysia Sdn. Bhd.	MYR	629,032	47,934,518	14,388,845	62,952,395	-	16,322,246	3,738,591	1,260,380	2,478,211	-	-
B.10	Ada Cellworks (Thailand) Co Ltd	THB	1,000,000	(1,359,140)	940,569	581,430	-	-	(210,356)	-	(210,356)	-	Note 2
B.11	IGTL Network Services Philippines Inc. (fka Ada Cellworks, Inc.)	Peso	504,300	8,518,184	18,476,893	27,499,377	-	16,730,620	3,239,361	971,514	2,267,847	-	-
B.12	GTL China Ltd. (fka Ada Cellworks Co. Ltd)	RMB	1,241,505	17,064,100	26,540,518	44,846,123	-	66,904,037	21,278,798	5,319,700	15,959,098	-	-
B.13	Ada Cellworks Pte Ltd	SGD	100,000	710,970	31,551	842,521	-	55,324	3,233	-	3,233	-	-
B.14	Pt. Ada Cellworks Indonesia	IDR	451,500,000	(19,415,504,772)	42,150,731,507	23,186,726,735	-	30,771,726,241	(2,599,883,388)	18,422,411	(2,618,305,799)	-	-
B.15	GTL Taiwan Co. Ltd. (fka Ada Cellworks (Taiwan) Co. Ltd)	NTD	5,000,000	(3,844,798)	181,282,007	182,437,209	-	69,603,651	(4,771,195)	20,535,634	(25,306,829)	-	-
B.16	GTL Australia Pty Ltd. (fka Ada Cellworks Pty Ltd.)	AUD	100	226,867	80,397	307,364	-	243,467	(49,064)	-	(49,064)	-	-
B.17	GTL USA Inc.	USD	100,179	(2,418,275)	7,028,793	4,710,697	-	11,302,105	595,382	(4,884)	600,266	-	-
B.18	GTL Managed Services (UK) Limited	GBP	1	(556,862)	559,798	2,937	-	-	10,663	-	10,663	-	-
B.19	GTL International Lanka (Private) Limited (fka IGTL Solutions Lanka (Pvt) Limited)	SLR	4,850,000	(99,944,101)	419,190,800	324,096,699	-	258,995,840	(150,830,419)	982,225	(151,812,644)	-	-
B.20	GTL International Bangladesh Pvt. Ltd.	BDT	3,570,000	(7,917,688)	49,693,086	45,345,398	-	55,395,001	(5,743,972)	902,822	(6,646,794)	-	-
B.21	GTL Kenya Limited (formerly known as A. R. Infrastructure (Kenya) Limited)	KES	100,000	(15,336,790)	62,918,326	47,681,536	-	34,794,188	(15,523,723)	(21,907)	(15,501,816)		-
B.22	GTL Tanzania Limited	TSH	1,000,000	70,846,203	897,668,357	969,514,560	-	695,509,709	(64,907,504)	(17,531,253)	(47,376,251)		-
B.23	GTL Vietnam Company Limited	VND	3,569,055,030	(346,562,825)	3,794,819,893	7,017,312,098	-	7,307,719,530	(346,562,825)	-	(346,562,825)		-
B.24	GTL Canada Inc.	CAD	100	55,340	643,674	699,114	-	4,709,332	136,859	30,842	106,017		-
B.25	GTL Panama S. A.	-	-	-	-	-	-	-	-	-	-	-	Non-oprational
C	**ADA Cellworks Wireless Engineering Pvt. Ltd.**	INR	900,000	236,508,039	512,249,456	274,841,417	-	433,571,650	20,816,207	8,838,708	11,977,982	-	-

Notes :

1 In the case marked as 'Awaited', an application for change in the financial year has been filed with the relevant Ministry, however, the same has not yet been approved and hence the financial year still ended on 31 December 2009.

2 In the case of Ada Thailand, the figures are based on the management accounts of the Company, since the audit could not be completed because of the tense situation out of political unrest.

3 GTL Panama S.A. has not started its operations and not issued Equity Share Capital as at March 31, 2010.

Section 212(8) of Companies Act,1956 for the financial year ended on 31 March, 2010
All figures are in Indian Rupees

Sr No.	Name of the susbsidary company	Functional Currency	Capital	Reserves	Total Liabilities	Total Assets	Details of Investment (except in case of investment in subsidaries)	Turnover	Profit before tax	Provision for taxation	Profit after Tax	Proposed dividend (Equity / Preference)	Remarks
A	**International Global Tele-Systems Limited**	USD	574,445,301	2,767,315,667	1,094,766,212	4,436,527,181	900,200,000	3,396,749,150	341,947,158	2,356,794	339,590,364	12,908,005	
A.1	IGTL Solutions (Mauritius) Limited	MUR	3,000,000	(422,937,720)	524,210,160	104,272,440	-	-	-	-	-	-	Non-operational
B	**GTL International Ltd.**	USD	2,250,500,000	510,858,819	1,791,752,454	4,553,111,273	-	983,640,928	347,733,431	-	347,733,431	81,435,674	-
B.1	GTL (Singapore) Pte Ltd	USD	13,542,744	1,160,963,410	29,055,260	1,203,561,414	-	56,610,067	5,287,684	882,659	4,405,025	-	-
B.2	IGTL Solutions (Saudi Arabia) Limited	SAR	24,005,333	26,149,718	524,842,874	574,997,925	-	600,591,519	2,149,954	545,397	1,604,557	-	Awaited (Note 1)
B.3	GTL Overseas M.E. FZ LLC	AED	6,165,753	627,020,745	77,956,346	711,142,845	-	469,016,140	95,248,491	-	95,248,491	-	-
B.4	GTL International (Nigeria) Limited	USD	3,516,406	(7,548,762)	87,822,432	83,790,076	-	109,323,978	(11,069,658)	-	(11,069,658)	-	-
B.5	Pt. GTL (Indonesia)	IDR	5,621,360	(81,168,483)	179,060,878	103,513,754	-	76,956,877	(56,325,262)	(10,688,972)	(45,636,290)	-	-
B.6	GTL Europe Limited	GBP	33,918,178	15,190,256	418,610,415	467,718,849	-	1,432,059,561	9,578,169	13,945,871	(4,367,702)	-	-
B.7	Genesis Consultancy Australia Pty Ltd	AUD	4,120	14,817,505	7,147,711	21,969,336	-	8,974,201	(1,011,522)	143,031	(1,154,552)	-	-
B.8	Genesis Telecommunications Ireland Ltd.	EUR	60	36,686,359	66,596,958	103,283,378	-	68,470,957	956,797	200,371	756,427	-	-
B.9	GTL Network Services Malaysia Sdn. Bhd.	MYR	8,549,046	651,468,282	195,555,865	855,573,193	-	219,983,000	50,386,844	16,986,766	33,400,078	-	-
B.10	Ada Cellworks (Thailand) Co Ltd	THB	1,389,844	(1,888,992)	1,307,245	808,097	-	-	(295,302)	-	(295,302)	-	-
B.11	IGTL Network Services Philippines Inc. (fka Ada Cellworks, Inc.)	Peso	499,913	8,444,080	18,316,154	27,260,147	-	16,520,064	3,198,593	959,287	2,239,306	-	-
B.12	GTL China Ltd. (fka Ada Cellworks Co. Ltd)	RMB	8,183,609	112,481,165	174,946,724	295,611,499	-	457,667,986	145,561,091	36,390,276	109,170,815	-	-
B.13	Ada Cellworks Pte Ltd	SGD	3,211,567	22,833,277	1,013,281	27,058,125	-	1,832,472	107,085	-	107,085	-	-
B.14	Pt. Ada Cellworks Indonesia	IDR	2,257,293	(97,068,623)	210,734,334	115,923,004	-	152,513,848	(12,885,797)	91,307	(12,977,104)	-	-
B.15	GTL Taiwan Co. Ltd. (fka Ada Cellworks (Taiwan) Co. Ltd)	NTD	7,064,692	(5,432,463)	256,140,306	257,772,535	-	99,898,196	(6,847,827)	29,473,638	(36,321,465)	-	-
B.16	GTL Australia Pty Ltd. (fka Ada Cellworks Pty Ltd.)	AUD	4,120	9,346,873	3,312,340	12,663,333	-	10,079,076	(2,031,157)	-	(2,031,157)	-	-
B.17	GTL USA Inc.	USD	4,509,057	(108,846,558)	316,365,973	212,028,472	-	528,077,091	27,818,499	(228,199)	28,046,698	-	-
B.18	GTL Managed Services (UK) Limited	GBP	68	(37,775,488)	37,974,656	199,235	-	-	793,012	-	793,012	-	-
B.19	GTL International Lanka (Private) Limited (fka IGTL Solutions Lanka (Pvt) Limited)	SLR	1,939,697	(39,971,399)	167,650,141	129,618,440	-	106,226,917	(61,862,964)	402,859	(62,265,823)	-	-
B.20	GTL International Bangladesh Pvt. Ltd.	BDT	2,295,510	(5,091,073)	31,952,654	29,157,091	-	36,975,199	(3,834,001)	602,618	(4,436,619)	-	-
B.21	GTL Kenya Limited (formerly known as A. R. Infrastructure (Kenya) Limited)	KES	58,235	(8,931,413)	36,640,624	27,767,446	-	21,033,977	(9,384,488)	(13,243)	(9,371,244)	-	-
B.22	GTL Tanzania Limited	TSH	33,715	2,388,605	30,265,208	32,687,528	-	24,342,205	(2,271,703)	(613,578)	(1,658,126)	-	-
B.23	GTL Vietnam Company Limited	VND	8,924,620	(866,600)	9,489,158	17,547,179	-	18,969,127	(899,596)	-	(899,596)	-	-
B.24	GTL Canada Inc.	CAD	4,439	2,456,754	28,575,143	31,036,336	-	217,025,484	6,307,028	1,421,327	4,885,702	-	-
B.25	GTL Panama S. A.	-	-	-	-	-	-	-	-	-	-	-	Non-oprational
C	**ADA Cellworks Wireless Engineering Pvt. Ltd.**	INR	900,000	236,508,039	512,249,456	274,841,417	-	433,571,650	20,816,207	8,838,708	11,977,982	-	-

Notes:

In the case marked as 'Awaited', an application for change in the financial year has been filed with the relevant Ministry, however, the same has not yet been approved and hence the financial year still ended on 31 December 2008. From the next year onwards, the same will end on 31 March, which will coincide with the closing of the ultimate holding company.

GTL Panama S.A. has not started its operations and not issued Equity Share Capital as at March 31, 2010.

GLOBAL Group Enterprise

[For more information on the Company, please refer to 'FAQs' in the 'Investors' section of www.gtllimited.com]

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'Global Vision', Electronic Sadan 2, TTC Industrial Area, Navi Mumbai 400 710, Maharashtra, India.
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