GLOBAL Group Enterprise

PLUG INTO ENDLESS POSSIBILITIES

26th ANNUAL REPORT
2013-14

GTL

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Manoj G. Tirodkar	Chairman & Managing Director
Prof. Shamkant B. Navathe	Director
Mr. Vijay M. Vij	Director
Mr. Sukanta Kumar Roy	Director (Upto September 17, 2013)
Mr. D. S. Gunasingh	Director
Mr. Navin J. Kripalani	Director
Mr. Hemant S. Desai	Director
Mr. Ajay Sharma	Director – Nominee of IDBI Bank
Mr. Bhasker L. Salian	Director – Nominee of Bank of India (Upto February 12, 2014)
Mr. Arun Prabhu Khanolkar	Whole–time Director (w.e.f. August 1, 2013)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vidyadhar A. Apte

CHIEF FINANCIAL OFFICER

Mr. Milind V. Bapat

AUDITORS

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

BANKS / INSTITUTIONS

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

REGISTERED OFFICE & INVESTOR SERVICE CENTRE

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

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Website: http://www.gtlllimited.com
CIN : L40300MH1987PLC045657

FINANCIAL ACHIEVEMENTS

Particulars	GTL Consolidated (Audited)				GTL Standalone (Audited)	
	FY 2013–14	FY 2012–13	**FY 2013–14**	FY 2012–13	**FY 2013–14**	FY 2012–13
	₹ Cr.	₹ Cr.	**US$ Mn.**	US$ Mn.	**₹ Cr.**	₹ Cr.
Total Income	**2,716.82**	2,641.79	**440.18**	486.44	**2,338.22**	2,213.26
Net Sales / Services	**2,633.04**	2,601.32	**426.61**	478.99	**2,265.11**	2,171.58
PBDIT	**228.46**	192.93	**37.02**	35.52	**205.99**	179.16
Depreciation	**126.72**	177.65	**20.53**	32.71	**110.95**	157.24
Profit before exceptional items & tax	**(480.94)**	(551.51)	**(77.92)**	(101.55)	**(444.59)**	(519.00)
Profit before tax	**(507.59)**	(551.51)	**(82.24)**	(101.55)	**(444.59)**	(519.00)
Profit after tax	**(536.84)**	(554.77)	**(86.98)**	(102.15)	**(469.77)**	(519.37)
Dividend per share	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil
EPS Basic / Diluted	**(34.05)**	(37.96)	**(5.52)**	(6.99)	**(29.87)**	(35.93)
Equity & Preference Share capital	**807.30**	806.96	**134.36**	147.62	**807.30**	806.96
Reserves & Surplus	**272.69**	795.81	**45.38**	145.58	**20.50**	489.69
Networth	**1,079.99**	1,602.77	**179.74**	293.20	**827.80**	1,296.65
Gross Fixed Assets	**1,300.89**	1,259.02	**216.51**	230.32	**1,075.61**	1,050.21
Net Fixed Assets	**537.43**	618.09	**89.44**	113.07	**404.28**	489.59
Total Assets	**7,605.63**	8,207.82	**1,265.81**	1,501.48	**6,676.32**	7,262.90

Conversion Rate for 1 US$ into INR (weighted average)	FY 2013–14	FY 2012–13
Profit and Loss Account	**61.72**	54.31
Balance Sheet Items	**60.09**	54.67

Note: GTL generates 86.00% of its revenue from India. Dollar figures are given purely for reference purpose and may seem distorted due to substantial and abnormal fluctuations in the INR–US$ exchange rate. Therefore, all the ratios have been calculated for Rupee values.

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MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS SNAPSHOT

GTL, a Global Group Enterprise, is a diversified technology and Infrastructure services company focused on Telecom and Power.

In the telecom segment the Company provides Network Services to telecom operators, OEMs & tower companies. In the power sector, the Company offers Distribution Franchisee services to Utilities and distribution companies.

TELECOM

Network Planning, Design and Optimization services for 2G / 3G / 4G LTE networks

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

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

GTL's engineers use technology expertise, sophisticated algorithms, world–class tools and disciplined design processes to provide an end–to–end, multi–vendor design solutions across 3G and 4G technologies.

Network Planning, Design and Optimization services cover Radio Frequency (RF) and Transmission Engineering, Fixed and Core Network Engineering for 3G, 4G, Microwave Transmission, SDH, DWDM, WiMAX and Broadband networks.

Operations & Maintenance

GTL's Network Operations and Maintenance services portfolio enables operators to focus on their core areas of business while GTL manages Network Operations and Maintenance activities. This approach helps operators in owning a high performance network at reduced operational expenses.

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.

Energy Management

GTL's Energy Management Solutions are aimed at reducing energy expenses through installation of energy efficient devices, 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 their carbon footprint.

In all the emerging markets and especially in India, the use of diesel generators as a substitute to power cell sites is a widespread practice. This has become necessary, as the availability of grid power is not 24x7. GTL's Energy Magement services help tower companies and service providers, manage their energy more efficiently.

Under the Energy Management service the Company offers a fixed energy model where the customer pays fixed energy costs based on previous consumption patterns and a CPH model, where in the actual energy costs are reimbursed.

The Company is currently offering this service to a couple of leading operators and is likely to extend this offering to other leading operators as well.

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 customers and products.

GTL's Managed Network Services offerings are based on the Build–Operate–Manage (BOM) model and offer KPI / SLA based end–to–end services. Some of the offerings in which the Company has been able to showcase significant wins are as follows

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

Case studies

Some of the unique projects that we are undertaking for our international customers, which have growth potential moving forward, are described below

4G / LTE network Planning and Design for a large US based Operator

For a large American Operator, we are leveraging Indian skill sets, to deliver Network Planning and Optimization project. The onsite teams located in USA, are used to collect the field data, and the Indian resources, do the post processing work, generating feedback and recommendations, which the onsite team then takes forward. This approach has the following advantages

- Faster completion of project
- Increased margins
- Ability to execute large and complex projects

Project Delivery Support Services for a large OEM in Europe

GTL Europe has won a very significant Managed Services deal with a leading OEM, where in the OEM will be outsourcing to GTL. The PDSS – project delivery support service, for their key customers O2, MBNL and Everything Everywhere.

This deal is the largest win for GTL in the Managed Services space and the duration of the contract is 26 months. The services offered under the contract would include Project Management, Site Solutions, Installation Planning of Radio and Core Sites, Transmission, Acquisition & other enabling works.

This contract is among the biggest deals that the OEM has signed with any of its vendors in Europe this year, and more importantly, these works have always been core business and never outsourced in this way before. It is a long term deal in the Managed Services domain and has got the potential to be a great reference for GTL.

Cloud based delivery of Network Planning, Design and optimizing tools

In a unique approach towards improving productivity and efficiency in our network planning and design operations, GTL has developed an innovative method of leveraging cloud for delivery of tools that are used by engineers in carrying out Network Planning and design operations. This approach will help in increasing return on investment in the tools deployed.

The Company has developed this in association with a leading tool vendor. The innovation would also help the Company to offer its services to other System Integrators as well, who plan to use the tools.

POWER MANAGEMENT

Power Distribution Franchise

GTL has entered into Power Distribution Franchise business. Under this contract, GTL undertake operations and maintanance, renovation and modernization, engineering, biling and collection on behalf of MSEDCL, in the designated Distribution Franchise Area (DFA).

GTL is currently operating a Power Distribution Franchise contract for Aurangabad Urban Circle (I & II) in Maharashtra. The Company has undertaken several initiatives with the objective of reducing the AT&C losses and improving the quality of power. Some of the initiatives are listed below

Initiatives for reduction in AT&C losses

- Automated Metering Infrastructure for better demand management
- Focus on theft of electricity – Dedicated vigilance team
- Improvement in Billing efficiency
- Up gradation of distribution line network
- Conversion of overhead line to Air bunch cable in hook prone area
- Replacement of old electromechanical and electronic meters

Improved Quality of Power

- Addition of one new sub – station for quality power supply
- Efficient network management
- Load balancing of distribution transformer for better and uninterrupted power supply

Improved Customer satisfaction

- Dedicated customer service centers
- 24 x 7 Call center
- Dedicated account management team for Industrial consumers
- Power on wheel – to provide immediate relief at transformer failures
- Online payment facility

Automated Meter Reading Infrastructure (AMR)

The Company has also undertaken AMR project in the city of Aurangabad and has completed the phase – 1 of the project, where in HT consumers were covered.

- AMI provides an essential link between the grid, consumers and their loads
- Real time interval data for loss reduction and network performance monitoring
- Demand side management and load forecasting
- Fully automated process to generate billing determinants

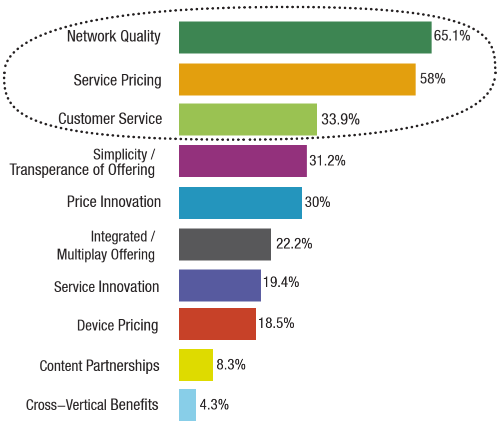
INDUSTRY STRUCTURE & DEVELOPMENTS

TELECOM

As the Indian telecom market moves from voice to data, the telcos face new technology and infrastructure related challenges in meeting their expansion and customer experience goals. The advent of technologies like 4G / LTE is further adding to those challenges. Additionally, with the recent success of the spectrum auctions, the sentiments of telecom operators have improved. Operators are now opening up to the possibility of embracing the next wave of mobile broadband revolution – both on coverage and capacity increase of 3G, and the adoption of 4G / LTE. (source: Light reading).

The challenges that the service providers are grappling with, are enumerated below.

The three most dominant means of competitive differenciation among the mobile operators



(Source: Informa Telecoms Industry survey 2014)

These challenges throw interesting opportunities for service companies like GTL. GTL has a portfolio of service offerings in the above mentioned area, and will aim to leverage the expertise gained in offering and addressing LTE opportunities in the North American market.

POWER

The distribution segment plays a crucial role in the overall functioning of the power sector because it is part of the system which generates revenues needed to pay generation and transmission utilities. The viability of the power sector as a whole is therefore critically dependent on the health of the distribution sector.

The distribution sector, continuous to be plaqued by losses. Indian Banks started an exercise to restructure the debt of discoms in 2012 under a government–sponsored ₹ 2 trillion bailout package. The efforts of the banks might not bear fruit if there is a downward revision of tariffs in the run up to or post elections.

The new government in Delhi took the lead on December 31, 2013 by cutting tariffs by 50% for households consuming up to 400 units of power per month. On 16 January, Haryana withdrew a tariff increase of up to 13% levied last year on households consuming 500 units a month. The Maharashtra government as well slashed power tariffs by 15–20% in all parts of the state except Mumbai on 20 January. The state governments plan to compensate discoms through subsidies.

State governments do not have a track record of paying discoms their promised subsidies on time and the tariff cuts will reduce monthly receipts of distribution firms. (Source: Mint report, Jan 28, 2014)

The above said developments are likely to impact the profitability and operations of Discoms.

OPPORTUNITIES AND THREATS

TELECOM

GTL's business operates in the areas of India, North America, Europe, Middle East, Asia Pacific and SAARC.

The growth markets of SAARC and Middle East region continue to offer opportunities for Network Deployment, Operations & Maintenance services. The SAARC region is also being explored for offering NOC based services.

The matured markets of USA and UK offer opportunities for Network Planning, Design, Optimization and Benchmarking services. While the developing market offers opportunities in 2G and 2.5G networks, developed markets offer opportunity in 3G and 4G space.

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

Operation, Maintenance & Energy Management Services

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.

In India, the recently concluded spectrum auctions, clarity in regulations and consolidation among the operators is expected to drive expansion plans of the incumbent operators. Also the imminent roll out of 3G and 4G / LTE networks also will expand the opportunity for Operation, Maintenance & Energy Management services.

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

At GTL, Energy Management is an opportunity to address a critical need of our customers and contribute to reduction of carbon footprint of the telecom industry. GTL plans to use innovative methods and processes, products and solutions that can bring down energy consumption.

The Company is looking at leveraging partnership with innovative companies in the field of Energy Management to bring down the energy consumption. The areas that are being looked at include fuel cells, reflective paints, intelligent Energy Mangement system etc.

POWER

The distribution system in India, has been plagued by consistently higher Aggregate Technical and Commercial (AT&C) losses. These can be reduced by improving metering efficiency, proper energy accounting & auditing and improved billing & collection efficiency.

Hence, with a view to improve AT&C losses various governments have shown inclination towards modernization and technology upgradation of distribution networks.

Distribution franchisee is one such model that is being adopted by the governments. The main profit drivers for franchisees are operational efficiency, increasing billing efficiency and reduction in AT&C losses.

GTL has the power Distribution Franchisee Contract for Aurangabad Urban Circle (I & II) for a period of 15 years. In future, GTL plans to leverage its experience from the Aurangabad project by bidding for similar projects in other parts of the country.

According to the working group of the planning commission on power, the key challenges to be addressed during the 12th Plan are providing access of power to all, Sustainability, Efficiency and Effectiveness of Distribution sector.

Some of the highlights of the draft are as follows

- AT&C Loss reduction is a priority and is to be achieved through various administrative and technical measures.
- Payment of subsidy/outstanding dues by States shall be made upfront, as per section 65 of Electricity Act, 2003. Clearing of all the outstanding subsidies to the utilities. Release payments from the State budget directly;
- Rationalization of tariff and timely filing of Tariff Revision Petition regularly;
- Adoption of Multi Year Tariff with tariff revision in a time bound manner.
- Continuation of R–APDRP and RGGVY in 12th Plan.
- 100% Metering of Consumers to be ensured.

- Distribution Franchisee as a PPP model in electricity distribution to be promoted Funding for smart grid pilot projects, training initiatives, and for Research and Development are recommended to be as grants.
- Distribution Sector R&D to be promoted. Setting–up of a Technical Cell of CEA, which will focus on – Best practices, R&D in terms of data collection and specific projects, Technical support to States for consultancy and implementation
- The distribution system planned for the 12th Plan includes setting up of new lines (1,305,000 ckm), installation of new substations (88,000 MVA), augmentation of substation etc.
- The total fund requirement is ₹ 306,235 Crs. for distribution sector.

Moving forward, GTL plans to leverage its Aurangabad experience to bid for other lucrative locations and also play its role in modernizing and improving the existing distribution networks.

FUTURE OUTLOOK

GTL's current business focus revolves around leveraging 3G / 4G expertise in network planning and optimization, and operations centric managed service solutions that help operators optimize their costs and enhance their revenues.

Moving forward, GTL is evolving a strategy focused on the Remote Network Infrastructure Management Services (RNIMS), Customer Experience Management Solutions building on our expertise in Managed Services, Planning and Optimization businesses.

Some of the key shifts that the Company is contemplating in response to the evolving industry and technology landscape and in line with the Company's strategy to generate large annuity driven and high margin revenues are summarized below

- **New Services**

  The Company is planning to launch new services in the following areas

  - Mobile device testing
  - Cloud based online site survey
  - Customer experience measurement (CEM)
- **One time revenues (project based) to Recurring services revenues:** A significant chunk of the services business revenues are one time in nature, the Company would like to work towards a recurring revenue based and long term engagements
- **OEM dependency to Relationship with mobile operators:** We are highly dependent on our relationships / partnerships with OEMS, for generating business.
- **Delivery model to utilise cloud based technologies:** Currently the Company's services and delivery model is tuned to address the traditional network centric opportunities. However there are innovations and disruptive changes that are taking place using cloud. The Company seeks to develop relevant skill sets and competencies to address the space. As a first step the Company is incorporating a cloud based network planning tool into the delivery process as a result of which the operating costs are coming down and the productivity of our engineers is improving,
- **Field manpower oriented services to move towards hybrid model utilizing high end tools:** Most of our current service offerings have revolved around resource centric offerings. Moving forward we intend to move towards high end technology services, which offer a chance to have a deeper and a recurring engagement with service providers as our customers. The Company is in the process of entering into partnerships with companies that provides tools and software solutions for Network Services
- **NOC to GDC:** The expertise gained in offering NOC to Indian customers is being leveraged to offer to international customers, with additional capabilities being built in niche service offerings

DISCUSSION ON CONSOLIDATED FINANCIALS

For the purpose of financial analysis, the figures in rupees for the FY 2013–14 and FY 2012–13 are converted into US$ as under:

Particulars	**FY 2013–14 (₹)**	FY 2012–13 (₹)
Profit and Loss Account – 1 US$ equals to	**61.72**	54.31
Balance Sheet– 1 US$ equals to	**60.09**	54.67

Pre–elimination and Post–elimination Revenues of the Group

Particulars	**FY 2013–14 (₹ Cr.)**	FY 2012–13 (₹ Cr.)	**FY 2013–14 (US$ Mn.)**	FY 2012–13 (US$ Mn.)
GTL (Standalone)	**2,265.11**	2,171.58	**367.00**	399.86
International Subsidiaries	**371.19**	431.39	**60.14**	79.43
Indian Subsidiaries	**Nil**	0.17	**Nil**	0.03
Pre elimination Group Revenues	**2,636.30**	2,603.14	**427.14**	479.32
Less: inter– company elimination entries	**3.28**	1.82	**0.53**	0.34
Post elimination Group Revenues	**2,633.04**	2,601.32	**426.61**	478.99

SEGMENT REPORTING

The Company earlier had one Reporting Segment "Network Services". The Company has also commenced the operations of the Power Distribution franchisee and EPC Power T&D projects. The Company, therefore from now on, will have two Reportable Segments viz. "Network Services" and "Power Distribution Franchisee and EPC".

"Network Services" comprises of Network Planning & Design, Network Deployment, Professional Services, Energy Management, Operations and Maintenance and Infrastructure Management. **"Power Distribution Franchisee and EPC"** comprises of Power Project – EPC and Power Distribution franchisee.

The Segment wise Revenue is as follows:

Segment Revenue	FY 2013–14 (₹ Cr.)	FY 2012–13 (₹ Cr.)	FY 2013–14 (US$ Mn.)	FY 2012–13 (US$ Mn.)
Network Services	**1,534.06**	1,572.59	**248.55**	289.56
Power Distribution Franchisee and EPC	**1,098.98**	1,028.73	**178.06**	189.42
Total Segment Revenue	**2,633.04**	2,601.32	**426.61**	478.99

Cost of Sales, Services and Delivery

In the FY 2013–14 **Cost of Material and Services** stood at ₹ 2,088.58 Cr. (US$ 338.40 Mn.) (79.32% of revenue) as against ₹ 2,034.78 Cr. (US$ 374.67 Mn.) (78.22% of revenue) in FY 2012–13.

Employee Benefit expenses stood at ₹ 283.71 Cr. (US$ 45.97 Mn.) (10.77% of revenue) as against ₹ 296.69 Cr. (US$ 54.63 Mn.) (11.41% of revenue) in FY 2012–13.

Other Expenses includes Travelling, Conveyance, Rent, Consultancy and other expenses stood at ₹ 116.07 Cr. (US$ 18.81 Mn.) (4.41% of revenue) as against ₹ 117.39 Cr. (US$ 21.61 Mn.) (4.51% of revenue) in FY 2012–13.

Interest and Finance Charges

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

Segment Revenue	FY 2013–14 (₹ Cr.)	FY 2012–13 (₹ Cr.)	FY 2013–14 (US$ Mn.)	FY 2012–13 (US$ Mn.)
Interest Expense	**582.68**	566.79	**94.41**	104.36
Other Income				
Interest Income	**13.95**	4.10	**2.26**	0.75
Dividend from other investments	**0.01**	0.01	**0.00**	0.00
Profit on sale of Current Investments (Net of diminution in value of Investments)	**20.60**	1.89	**3.34**	0.35
Lease & Rent Income	**2.65**	2.70	**0.43**	0.50
Profit on sale of fixed assets (Net)	**(0.01)**	0.21	**(0.00)**	0.04
Gain on Foreign Currency	**19.37**	29.39	**3.14**	5.41
Other Non–Operating Income	**27.20**	2.17	**4.41**	0.40

Exchange Variation

The Company and its subsidiaries execute projects in more than 20 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.

Provision for Tax

Provision for Tax	FY 2013–14 ₹ Cr.	FY 2012–13 ₹ Cr.	FY 2013–14 US$ Mn.	FY 2012–13 US$ Mn.
Income Tax	**25.04**	(1.73)	**4.06**	(0.32)
Deferred Tax	**4.21**	4.99	**0.68**	0.92
Total Tax	**29.25**	3.26	**4.74**	0.60

Balance Sheet Items

Equity Share Capital

As on March 31, 2013 the equity share capital was ₹ 156.69 Cr. (US$ 26.12 Mn.). GTL's Share Capital as on March 31, 2014 is given as under:

Particulars	No. of Equity Shares	₹ Cr.	US$ Mn.
Equity Capital as on March 31, 2013	156,957,693	156.96	26.12
Add: Allotment of Equity Shares on conversion of CCDs	339,088	0.34	0.06
Equity Capital as on March 31, 2014	**157,296,781**	**157.30**	**26.18**

Preference Share Capital

Particulars	No. of Equity Shares	₹ Cr.	US$ Mn.
Number of Preference Shares at the beginning of the year as on March 31, 2013	650,000,000	650.00	108.18
Add: Allotment of Preference Shares	Nil	Nil	Nil
Preference Capital as on March 31, 2014	**650,000,000**	**650.00**	**108.18**

Reserves and Surplus

Reserves and Surplus as on March 31, 2013 was ₹ 795.81 Cr. (US$ 132.45 Mn.). In view of the loss during the period, the Company has not created Debenture Redemption Reserve.

Particulars	₹ Cr.	US$ Mn.
Reserves & Surplus on March 31, 2013	795.81	132.45
Add:		
Profit during the year (Excluding Extra–ordinary Income Profit/Loss but after Prior Period Adjustment, Profit/Loss on associates, Reserves on Consolidation	(561.39)	(93.43)
Securities Premium Reserve	0.59	0.10
Translation & Reserve on consolidation	37.69	6.27
Reserves & Surplus on March 31, 2014	272.69	45.38

Net Worth

Particulars	₹ Cr.	US$ Mn.
Equity Capital as on March 31, 2014	157.30	26.18
Preference Capital as on March 31, 2014	650.00	108.18
Reserves & Surplus on March 31, 2014	272.69	45.38
Total Net Worth	**1,079.99**	**179.74**

Loans

Long term borrowing as on March 31, 2014 was ₹ 2,256.07 Cr. (US$ 375.48 Mn.) as against ₹ 3,120.44 Cr. (US$ 570.83 Mn.) on March 31, 2013.

Net Fixed Assets

As on March 31, 2014 the net fixed assets were ₹ 537.43 Cr. (US$ 89.44 Mn.) as against ₹ 618.09 Cr. (US$ 113.07 Mn.) on March 31, 2013.

Investments

As on March 31, 2014 GTL's investments stood at ₹ 3,199.81 Cr. (US$ 532.55 Mn.) as against ₹ 2,291.38 Cr. (US$ 419.17 Mn.) as on March 31, 2013. GTL's investment in GTL Infra as on March 31, 2014 was ₹ 591.55 Cr. (US$ 98.45 Mn.) as against ₹ 291.23 Cr. (US$ 53.28 Mn.) as on March 31, 2013 and GTL's investment in CNIL as on March 31, 2014 was ₹ 1,637.48 Cr. (US$ 272.53 Mn.) as against ₹ 1,637.48 Cr. (US$ 299.55 Mn.) as on March 31, 2013.

Thus, the unquoted and quoted investments are as given below:

Investments	₹ Cr.		US$ Mn.	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Quoted				
Equity Share	**591.55**	291.23	**98.45**	53.28
Total Quoted	**591.55**	291.23	**98.45**	53.28
Unquoted				
Equity Share	**1,768.29**	1,768.31	**294.30**	323.48
Preference Shares	**754.90**	252.33	**125.64**	46.16
Debentures	**150.00**	Nil	**Nil**	Nil
Total Unquoted	**2,673.19**	2,020.64	**419.94**	369.64
Limited Liability Partnership	**Nil**	0.05	**Nil**	0.01
Share of Loss of Investment in Associates	**(64.93)**	(20.54)	**(10.81)**	(3.76)
Total Investment	**3,199.81**	**2,291.38**	**507.58**	**419.17**

Receivables decreased from ₹ 1,268.92 Cr. (US$ 232.13 Mn. as on March 31, 2013 to ₹ 913.46 Cr. (US$ 152.03 Mn.) on March 31, 2014. Decrease in Daily Sales Outstanding (DSO) from 178 to 127 days.

Funds Employed

During the year, Telecom sector faced severe liquidity crunch. In addition to this, GTL Infra has been admitted to CDR, as a result, receivables and Loans & Advance made to GTL Infra could take some time to realise.

Company's focussed effort on utilization of Inventory, resulted in decreased Inventory.

Inventory as on March 31, 2014 was ₹ 121.98 Cr. (US$ 20.30 Mn.) as against ₹ 405.89 Cr. (US$ 74.25 Mn.) as on March 31, 2013.

Contribution to Exchequer

Particulars	₹ Cr.		US$ Mn.	
	FY 2013–14	FY 2012–13	**FY 2013–14**	FY 2012–13
A. Direct Tax				
Income Tax paid during period	**14.09**	13.80	**2.35**	2.53
B. Indirect Tax				
Sales Tax/VAT/WCT/Cess	**0.92**	1.21	**0.15**	0.22
Service Tax	**81.39**	90.53	**13.55**	16.56
Total (B)	**82.31**	**91.74**	**13.70**	**16.78**
Total (A+B)	**96.40**	**105.54**	**16.05**	**19.31**
International Taxes (C)	**26.31**	26.58	**4.38**	4.86
Total Taxes (A+B+C)	**122.71**	**132.12**	**20.43**	**24.17**

Related Party Transactions during the Year

₹ in Crore

Particulars	Associates Companies	
	For the Year ended March 31, 2014	For the Period ended March 31, 2013
Sales & Services	616.18	519.37
Reimbursement Expenses from	72.90	77.04
Interest Income	5.92	Nil
Rent Received	2.59	2.61
Purchases of Fixed Assets	6.50	Nil
Sale of Fixed Assets	0.41	Nil
Reimbursement Expenses to	375.77	347.74
Preference Shares – Allotment	Nil	650.00
Investment in Equity Shares	Nil	569.36
Other Expenses	Nil	3.65

Relationship:

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

RISK MANAGEMENT

In today's dynamic business environment 'Risk Management' is an essential function to have a sustainable & effective business model in place. In India, Enterprise Risk Management (ERM) has evolved steadily in progressive companies. It is developing from being merely a risk identification and assessment process to building a risk portfolio that is continually assessed and monitored. The perception that "risk is not my responsibility" has evolved to a more realistic "risk is everybody's responsibility".

GTL has a Risk Management Group (RMG) in place to facilitate the execution of risk management across the organization. The

Company's approach is to identify, monitor and evaluate risk throughout the group companies and to manage these risks within its risk appetite. For this very purpose GTL has an Integrated ERM Framework in place.

This report prepared in accordance with Clause 49 (IV) of the Listing Agreement with Stock Exchanges in India, sets out the ERM practiced by GTL Limited (the Company). Shareholders and other readers are cautioned that the risks outlined here are not exhaustive and are for information purposes only. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these events or how they may affect it.

Overview

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

I. FINANCIAL RISK

Market Risk

The global perspective

- Estimates show that 70% of world growth over the next few years will come from emerging markets, with China and India accounting for 40% of that growth
- Adjusted for variations in purchasing power parity, the ascent of emerging markets is even more impressive: the International Monetary Fund (IMF) forecasts suggest that investors will continue to invest in emerging markets for some time to come. The emerging markets already attract almost 50% of foreign direct investment (FDI) global inflows and account for 25% of FDI outflows
- The brightest spots for FDI continue to be Africa, the Middle East, and Brazil, Russia, India and China (the BRICs), with Asian markets of particular interest
- By 2020, the BRICs are expected to account for nearly 50% of all global GDP growth. Securing a strong base in these countries will be critical for investors seeking growth beyond them
- According to IMF, Global activity strengthened during the second half of 2013, as anticipated in October 2013. Activity is expected to improve further in 2014–15, largely on account of recovery in advanced economies. Global growth is now projected to be slightly higher in 2014, at around 3.7 percent, rising to 3.9 percent in 2015

The Indian perspective

- RBI shall continue to maintain current level of interest rates and has fixed the Consumer Price Index as the key economic marker to bring down interest rates. Interest rates are unlikely to soften significantly in the current financial year.Currently Market risk is moderate for the Company owing to the CDR that has been completed, helping bring down interest rate to the extent of the rupee term loan exposure. The domestic currency risk has thus been successfully postponed
- The Company continues to have exposure to foreign currency loans in the form of External Commercial Borrowings (ECB) of US$ 150 Mn. (overdue), which face un–hedged foreign exchange risks as the Company does not have sufficient foreign currency income to act as a natural hedge for these loans. The Company has commenced discussions with certain lenders to do settlement of their respective dues
- As the revenues from our existing business lines are all dependent on the sustainability of Telecom & Power sector, we believe that macroeconomic factors, including growth of the Indian economy, interest rates, as well as the political and economic environment, currently have a significant direct impact on our business, results of operations and financial position

Liquidity & Leverage Risk

- The Telecom industry, which is the main contributor to the Company's revenues, continues to face intense liquidity and cost pressures which are adding to the strain on margins and timely payments to the Company from customers, thus intensifying the liquidity pressure on the Company. Telecom operators have also bid for additional spectrum in february 2014 and paid the government more than ₹ 60,000 Cr. This has further strained liquidity of Telecom Operators
- Due to sectoral developments in the beginning of the financial year 2011–12, the Company faced severe liquidity crunch and had referred itself to the CDR to restructure its debt, which it has successfully implemented. Due to adverse economic conditions facing the Company which have been discussed elsewhere in this annual report, in Consolidated Financial Statement, the amount payable to its lenders is as mentioned in the table below:

Particulars	Outstanding as at March 31, 2014 (₹ Crs.)
Principal	5,319.89
Interest	584.05

- The Company has proposed as part of its CDR process to sell / dispose of the whole or substantially the whole of the undertakings of the Company; or consider to sell, lease or otherwise dispose of the whole or substantially the whole of any of the undertakings of the Company, sale of core / non–core assets, sale of surplus assets / investments, realization of current assets including inventories, sundry debtors, supplier advances & other current assets, in order to settle dues of the CDR lenders / ECB lenders / NCD holders and creditors of the Company. All such actions will be taken with necessary consent from such lenders as may be applicable under the CDR process . These actions if undertaken at this time due to the prevailing market conditions may not result in realisation of investments at its book values and there could be losses due to these proposed actions.
- The Power business suffers from a mismatch in the hike in input cost as compared to the rise in Tariff monitored by MERC. The Tariff has not grown in proportion to the increase in the input cost of energy incurred by the Company, thus leading to negative margins

- The Company's market capitalization has been eroded by as much as 90% from its peak. This has made it difficult to raise further capital in the form of equity from financial markets or strategic investors at the moment. Thus, liquidity risks will continue to remain high in the near future
- The Company has also invested ₹ 1,637.48 Cr. in Chennai Network Infrastructure Ltd. (CNIL), the SPV floated to acquire the tower assets of Aircel. CNIL is to be merged with GTL Infra and on the happening of the GTL Infra–CNIL merger, if current market crisis persists in short term, the value of investment may be lower than the cost. Though the Company believes that in the long term these investments would give better returns
- Aircel was expected to give additional 20,000 tenancies to associate Company, CNIL. This was expected to generate revenues of ₹ 17,100 Cr. to GTL over 5 years starting from 2010. Pursuant to this, the Company placed orders on its suppliers and gave advances to procure inventory to meet part of this order. Aircel provided only about 2,500 tenancies to CNIL due to various problems faced by the industry
- This was one of the reason, among other macro economic and industry issues, because of which the Company had to approach the CDR Cell to restructure the debt. Therefore it is imperative to recover these advances from suppliers to recover its monies. The Company has partially recovered advances from suppliers and is making efforts to negotiate with parties for further recovery

Credit Risk

- A large part of the Company's business is to provide Network Services to the Telecom Operators and OEMs. Hence, the customer base is largely in the Telecom Industry. As the Telecom sector is facing growth and profitability issues, payments from customers continue to be delayed
- A significant portion of the Company's revenue contribution comes from Aircel, which has a long term contract with the Company for Energy Management. Any disruption in the arrangement due to delivery issues by the Company on account of the liquidity crunch or due to the external issues being faced by Aircel will have a significant impact on the Company's revenues
- The Company's business is also diversified in Power Distribution sector. The revenue contribution from this segment is expected to grow. However, the growth in revenues should be accompanied by reduction in AT&C losses which are currently high and are in the range of 20%. Reduction in these losses is linked to profitability
- Given the customer base in power sector business, we do not expect major credit risk though approx. 40% of the low end households are delaying payments or are not paying at all.

II. STRATEGIC RISK

Industry Risk

- The telecom operator's growth plans which had been affected due to various factors like low ARPU, lack of liquidity, high domestic interest rates and uncertainties in Telecom Regulations have been significantly addressed by the following steps
  - The Government has permitted 100% FDI in the telecom sector for both Telecom Operators and Tower Operators. This is expected to give a major boost to FDI in the sector and ameliorate a lot of liquidity issues facing the sector
  - The telecom regulator TRAI conducted auction in February 14 and the Auction saw success where a new entrant Reliance Jio actively participated for 1800 MHz Spectrum. Only 8 major operators participated of which incumbent operators like Vodafone, Bharti Airtel, Idea Cellular bid for the spectrum in Metros and Circle A where GTL has major operations. The auction saw successful bidding of ₹ 61,162 Cr.
  - The new government and the successful auction could mean positive avenues for the industry in the next year which will lead to growth in this sector
  - The 3G services have not yet attracted desired level of customers and still witnesses slow growth. But it is anticipated that 3G will pick up in the coming year which will have positive impact on the Company's business prospects and growth
  - Until 2012 India had lowest mobile–phone penetration rate in Asia but this has changed. Now India has the second largest base of mobile subscribers in the world and has one of the fastest growing mobile internet base across the world

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

Business Concentration Risk

- Historically, the Company has been in the telecom sector functioning as an ancillary to Telecom Operators. The customer profile has always been Telecom Operators, Original Equipment Manufacturers (OEMs) and tower companies. Almost 85% of the Company's revenues has come from India. Therefore, the element of customer concentration risk was always very high. The Company had entered into the business of Energy Management and won a big contract with Aircel which is expected to generate around 33% of the revenues of the Company. Therefore, the fortunes of the Company are very tightly integrated with those of some customers like Aircel and the Company should take steps to mitigate such concentration risks by getting additional customers and also geographically diversifying operations and customer base
- Historically, the Company's customer base was solely in the telecom sector. This meant a high sector concentration risk. Subsequent to diversification in Power Distribution sector, the Company's business concentration risk has significantly reduced.

Competition Risk

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

- The Power Distribution business is where the Company is a new entrant. There are established players in the field like Reliance Energy, Tata Power, Torrent Power among others. However, once a contract is awarded the operator gets a virtual monopoly in the area where the distribution franchisee is awarded. Though this model is changing in larger cities like Mumbai and Delhi where multiple distribution companies are in competition with each other and consumers have an option to choose their electricity provider

III. OPERATIONAL RISK

Reputation Risk

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

Project Risk

- It is critical for the Company to execute large & complex projects within budgeted cost and schedule to avoid penalties from customers. In most of the Company's contracts there are penalties / liquidated damages and any delayed or deficient delivery may lead to a loss of profitability for the Company
- Power tariff hikes granted by MERC in Aurangabad are not enough to sustain good profitability margins and the company hopes to increase power tariffs to help it to sustain its profitability margins
- The Power Distribution business of the Company may be subject to various new kinds of operational risks like short circuits, voltage fluctuations, power pilferages, third party damage, human loss, small scale and large scale fires and such other disasters. It will require the Company to constantly monitor safety standards and quality of service on a 24x7 basis. Any of the aforementioned events may lead to losses that may erode the profitability of the business. Adequate insurance policies to take care of these eventualities must be obtained to avoid catastrophic losses. Also, in cases of extreme negligence and catastrophic events, senior officers and directors may be held criminally liable for gross negligence or willful misconduct
- Certain banks have incorrectly withheld release of sanctioned limits of PBGs and working capital which has hampered the growth of Power DF and EPC business

Manpower Risk

- The Company's ESOS plans have taken a significant value erosion and most options granted to employees are now out of the money therefore may not be a likely retention tool for employees in the near term and may lead to higher attrition. However, the Company hasn't seen significant attrition. The Company has also chalked out a good incentive and reward scheme for employees and has thus been able to retain most of its quality manpower resources

Automation, IT Security & Business Continuity Risk

- Service related business extensively depends on IT systems to provide connectivity across business functions through software, hardware and network systems. Any failure in IT systems or loss of connectivity or any loss of data arising from such failure can impact business continuity adversely
- The Company has implemented Disaster Recovery Plan and has effective back up systems in place to ensure business continuity
- The Company needs to introduce effective automation in various businesses like Energy Management and Power Distribution businesses to rationalize costs, improve efficiency in delivery and improve profitability

Technology Risk

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

IV. LEGAL & COMPLIANCE RISK

Legal and Contractual Risk

- Till date Company's customers have co–operated and we have not seen significant increase in penalties
- Litigations may arise from non–adherence to timely deliverables and SLA
- The Power Distribution business is consumer facing and this could lead to several small litigations from consumers who may complain about quality of service or billing among other things. There could also be mishaps, damages, fires etc which could lead to claims from the Company. The Company will have to maintain adequate insurance coverage and a good litigation team to address these issues
- Due to losses and theft in the power business, the Company has to take action to disconnect power connections to users who may or may not pay and in cases of power theft. This may lead to social unrest and litigations

Regulatory Risk

- The business segments that the Company operates in are heavily regulated by multiple regulators like TRAI, MERC etc. so the operations of the company may be subject to regulatory uncertainties and also impact on profitability
- The Company's Power Distribution business is regulated by the Maharashtra Electricity Regulatory Commission (MERC) which controls the Quality of Service and Tariffs that can be charged to the consumers and the Tariff that can be charged by Maharashtra State Electricity Distribution Company Limited (MSEDCL) to the Company

V. OTHER RISKS

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

Political Risk

- The Company does not have any interface with the Government or any regulatory authority in its business. However, the Power Distribution business is heavily regulated by the MERC, MSEB and MSEDCL. Electricity being a very politically sensitive matter could be subject to political risk if there is a change in the State Government in Maharashtra. However, this is unlikely as the contract is not dependent on the ruling party in the State

Top 3 Risks & Mitigation plans

The Company has identified the following risks as the top 3 risks facing the Company and these have been discussed in detail in this Chapter. The level of risk that is perceived by the RMG and the suggested mitigation plans are discussed in the following table:

Rating of Risk Practices	Relative Status
Very low risk *	No or little risk. Manageable by routine procedures. No management intervention required.
Low risk **	Normal risk exists. Manageable by improving operating procedures (internal risks) or being alert (external risks).
Medium risk ***	More than normal risk exists. Requires strong operating procedures (internal risks) and management attention (external risks).
High risk ****	Significant risk. Urgent actions required to eliminate or reduce the foreseeable risk.
Very high risk *****	Substantial risk. Immediate actions required to contain risk. Should be kept on a continuous watch–list.

Sr. No	Type of Risks –– Current Risk Rating	Mitigation Plan
1	Strategic Risk *****	Need to bring in new strategic investors to bring in business expertise and ease the liquidity situation. Need to adhere to the obligations listed in the MRA documents signed under the CDR plan to avoid any event of default. Need to concentrate and grow the Power Distribution Franchisee business and bring the required working capital limits from the banks.
2	Operations Risk *****	Need to infuse liquidity in operations to reduce this risk Need to focus on winning new contracts and consolidate business Need to reduce penalties, control expenses and undertake effective cost cutting measures Need for additional Capex to reduce AT&C losses Key insurance policies need to be undertaken to mitigate risks Need to focus on power business and win new contracts
3	Liquidity & Leverage Risk *****	Need to adhere to this CDR plan and make sure there are no events of default Reduction in operational costs and collection cycles Improvement in operational cash flow by means of better credit terms from vendors Need to get approval for and implement the refinancing proposal to discount revenues to generate enough liquidity to sustain the businesses of the Company Must try to refinance the remaining debt in the Company with lower cost longer tenor loans to increase profit margins

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

Control Environment

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

Risk Assessment

The Company has a system of risk assessment which covers the identification and analysis of relevant risks 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:

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

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

HUMAN RESOURCES

1. Objective:

The primary objective of Human Resource (HR) function is to attract and retain talent with requisite competencies, especially for emerging businesses and focus on training and development to improve productivity thereby strengthening the competitive edge of the Company.

As on March 31, 2014, GTL has 6,383 associates working for the Company as against 6,478 associates in March 31, 2013.

2. Talent Management:

Given the dynamic nature of business environment, nurturing the human capital becomes necessary for achieving sustainable growth. With long term objective in mind the Company has identified several training and development programs to impart the employees with necessary skill sets.

Based on the business growth we source and recruit close to 100 professionals every month.

Talent acquisition helps us to enhance efficiency and also bring about positive cultural change within the Organization.

3. Learning & Development

Employees are our most important asset and helping them to grow as professionals is crucial to the Company's success and well–being. Training and development plays an important role in the effectiveness of organization and helps gain the loyalty of people at work.

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

GTL's training plan bears a direct and powerful relationship to its ability to recruit and to retain employees. GTL offers training opportunities that help our employees to become more proficient in their work and follow a career path to to fulfill their career aspirations. Effective training can help retain employees by giving them the skills they need to make a difference and the confidence to keep trying, learning, and growing professionally.

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

Trainings:	No. of Employees Trained:
Behavioural	552
Technical	295
HSE	298
CSR	583
Total	1,728

4. **Health, Safety & Well being**

As a leading engineering Company that caters to global customers, GTL takes its Health, Safety and Environment initiatives seriously and the HSE objectives form an integral part of the overall corporate strategy.

Regular trainings on awareness on HSE issues are conducted. Employees are encouraged to participate in the community activities initiated through Global Foundation, like awareness seminars, marathons, etc.

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

5. **Employee Engagement:**

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

- **Rewards and recognition process**

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

  GTL has reinitiated the Passion for Action Awards program which has been implemented this year. So far 92 employees have been recognized for their efforts. We plan on expanding the scope of this program by recognizing performers across many more categories.

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

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

- **Internal communication newsletter**

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

6. **Looking forward the year ahead**

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

QUALITY & PROCESS

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

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

Quality Initiatives at GTL

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

Business Excellence

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

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

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

Process Excellence

Reinforcing its commitment to high levels of quality, best–in–class project management and robust service delivery practices, GTL attained a number of milestones during the FY 2013–14.

- Continuation of the ISO 9001:2008 (Quality Management System requirements) Certification
- Continuation of the ISO 14001:2004 (Environment Management) and OHSAS 18001:2007 (Occupational Health & Safety Management) Certification
- Entire Nepal Operations of GTL Limited i.e. GTL Nepal Pvt. Limited is awarded ISO 9001:2008 Quality Management System Certification

Apart from this, GTL Limited is in the process of incorporating Energy Management System in the Operation and Maintenance System after which fresh application for TL 9000 Certification (a Communications Industry–specific Quality Standard developed by QuEST Forum) may be considered.

The above certifications are a testimony to GTL's commitment to achieve the highest standards of Quality. The cornerstone of these Certifications is the in–house developed Business Management System, a vibrant, process–driven, people–oriented and customer–focused Management System which is continuously evolving to cater to the requirements of the Organization's varied Business Offerings.

Operational Excellence

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

Quality in Supply Chain: To help improve Customer Satisfaction, greater emphasis is given to the aspect of Quality in the Supply Chain. GTL believes that an organization and its Suppliers are mutually dependent. Hence Partner Relationships are strengthened through various initiatives such as:

- Identifying and selecting key Suppliers, reducing the scale of Supply System
- Sharing knowledge, technology, and other resources with Suppliers
- Acknowledging the improvement and achievement of Suppliers
- Initiating joint improvement activities
- Training for Suppliers, sending Quality Teams to help Suppliers improve their Processes
- Supplier Performance Management system based on ISO 9001:2008 Standard Requirements

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) at GTL is a fundamental part of how we conduct our business; we have a continued responsibility to our Employees, Shareholders and the Society at large. Promoting inclusive growth, sustainable development and expressing our sincere gratitude towards the Communities that we serve is all part of GTL's CSR philosophy.

At GTL, CSR is an integral part of how we do business, our governance and the system of checks and balances we use, ensure that the objectives with which the foundation has set are met, and the activities are carried out within the framework of all the rules and regulations.

GTL's CSR activities are channeled through the group's not for profit organization – Global Foundation.

For the past 10 years, the Foundation has sought to make a difference in the lives of people who are at a disadvantage. Global Foundation endeavors to build partnerships with our stakeholder community, engage our employees to improve the environment, educate tomorrow's leaders and also enhance the communities where GTL operates. Through innovation and creativity we inspire action and achieve impact.

The Foundation has been a pioneer in choosing projects that have a direct impact on the people's lives, and today, the objectivity has been validated by the recent CSR guidelines as per the new Companies Act, 2013.

Global Foundation is happy to report that our new CSR initiatives at Aurangabad have taken wing and the first engagement with the Schools in the city has yielded positive results. Going by the passionate commitment of the entire CSR team in achieving results with all the projects undertaken so far, we are positive that we will make a meaningful improvement to the lives of the local population in Aurangabad too.

Our challenge and top priority for the year ahead is to continue gathering and collating the data and to keep moving forward. We will also draw up action plans enabling us to act on that information quickly and effectively. We would like to thank all our employees for their continued commitment and support through the Payroll giving program and participation as a Positron. We could not have achieved any of this without them.

Mapping of CSR Projects to the new CSR Guidelines as per the new Companies Act, 2013

Projects undertaken	Area under Schedule VII of new Companies Act – 2013	Clause of Schedule VII
Education		
Gyan IT, Gyanjyot, Knowledge on Wheels, Education for Peace,	Promoting education,	2
Health		
Arogya,	Promoting preventive health care	1
Disability		
Project Netra, Project Drishti,	Promoting education and employment enhancing vocational skills among the differently abled	2
Community		
Project Jaldhara	Safe drinking water	1
Project Grihapravesh	Setting up homes and reducing inequality faced by social and economically backward groups	3
Village Knowledge centres	Empowering women	2
Marathons / Cyclothons		
Pedal for Peace	Ensuring environmental sustainability / (road safety awareness)	1 & 4
Green Lane	Ensuring environmental sustainability / (road safety awareness)	1 & 4
Support to other NGO's		
Aaasra, SOS children's village, Gyanamrut Shikshan Mandal	Promoting education	2
Stree Mukti Sanghatana	Enhancing vocational skills among women	2

Focus Areas of Global Foundation

Global Foundation has been doing considerable work for the last 10 years in four major areas namely – Education, Health, Disability and Community Development.

EDUCATION

Our philosophy towards education is to ensure holistic education to the economically disadvantaged sections of the society so as to enable them to compete on equal footing. The education program covers 3 areas – Computer education, English education and Value education. We do this through the following programs

Gyan IT

The field of education has seen a fair number of transformations over the years, in this age of rapid technology growth; we see a world which is more connected than ever before. Global Foundation had the vision to map these changes very early in the 90's and work towards making at least a small part of Maharashtra Computer literate by setting up labs in schools which were in rural remote areas of Sindhudurg district.

One of the greatest advantages of having labs in schools is the fact that everyone can have equal access to the computers. All those students who have no access to computers in today's day and time are able to learn Technology Education and build up a better future for them.

Last year Global Foundation was successful in setting up 18 Computer labs which will benefit approximately 2,139 students of Sindhudurg district. The Foundation has set up more than 106 computer labs all over Sindhudurg district in the last 10yrs which has benefited more than approx.188,000 people.

Gyanjyot Education Financial Support Program:

The Foundation had started this Educational Financial Support scheme in order to support children from economically backward families. The objective of the scheme is to provide financial assistance to meritorious students belonging to poor families so as to enable them to pursue and complete their education. Year 2013–14 saw many people and employees taking advantage and more than 900 students were supported financially under this program, we hope to see the no of beneficiaries increasing every year.

Knowledge on Wheels:

Global Foundation under project 'KNOW', reaches out to the rural students through its mobile computer lab along with a qualified instructor. This unique mobile computer lab traverses through rural areas to promote IT literacy, more than 43,200 students have been covered by this program. At present the KNOW bus is traveling through the remote hilly areas of Pathanamthitta, Kerala and training the adivasi children, village youngsters and housewives to become computer literate. The tremendous response from that area has also been seen and appreciated by educationists with a request to launch a similar kind of bus in other such remote areas.

Education for Peace

Education for Peace program is our contribution to build a better future by empowering school teachers through intensive training. Education For Peace (EFP) implies a paradigm shift in the total transaction of education. The training enables and equips teachers to nurture among children knowledge, attitudes and values that comprise a culture of Peace. It is a long–term proactive strategy to nurture peaceful persons who resolve conflicts non violently.

EFP is holistic, embracing the physical, emotional, intellectual and social growth of children within a framework of human values. In addition to teacher training, we also organize activities for students and parents.

- Students: Schools are encouraged to form Harmony Clubs where students are given opportunities to experience and internalize Peace values. Activities like camps, yoga classes, rallies with peace messages, drawing and literary competitions with peace as theme are held

- Parents: Interactive sessions to create awareness on EFP are organized. Tips on parenting and positive participation in school transactions are discussed. On Invitation, we visit housing Societies and social organizations to conduct awareness programmes on EFP

EFP activities in 2013–14:

- Implemented in 2009, EFP activities have grown substantially. Kudal has been the centre of EFP activities which in the year 2014 culminated with a two–day Conclave of teachers and students held in February 2014. The activity– oriented training for teachers was a step forward in transforming teachers to be Peace educators. Through fun activities students were exposed to peace values
- Next big step is to initiate this program in schools of Aurangabad. The first workshop will be held in June 2014 where in eighty teachers from five different schools will be participating

The year has been earmarked to reach out to more schools in different parts of Maharashtra including Mumbai, Navi Mumbai, Aurangabad and Pune district.

ENVIRONMENT, HEALTH & SAFETY

Emergency Medical Financial Assistance

As per the World Health Organization (WHO) survey, there are around 30% of people who die due to lack of adequate Emergency Medical Services. Emergency financial assistance for treatment is an essential part of the overall healthcare provided by Global Foundation as it saves lives by providing immediate medical attention. Therefore, developing a strong emergency medical financial assistance system has been one of the focal points of the overall health care objectives of Global Foundation.

Our Positrons (volunteers) form an integral part of this system as they help in creating the right awareness for collecting fund for a needy case. Most of the times the Foundation helps out an emergency case patient by sanctioning funds with the help of Trustees approval. In the year 2013–14 the Foundation has supported 19 such medical emergency cases.

Aarogya

Health does not merely mean the absence of a disease but also the general well being or freedom from an illness. The Indian population is weighed down by diseases because of lack of environmental sanitation and safe drinking water, under–nutrition, poor living conditions, and limited access to preventive and curative health services. Expenditure on health care in our country has been minimal and hence there is a gap in the urban & rural medical services.

Global Foundation has been creating health awareness in most parts of Maharashtra and is doing its bit by spreading and having general health camps, diabetic awareness, ophthalmic camps, blood donation camps etc for more than 10 years.

Global Foundation in Sindhudurg operates a mobile health van that travels to areas that do not have ready access to health services. Our mobile health van enables doctors, organizations and health counselors to overcome the obstacles that often prevent or deter people from obtaining important health tests and this program supports the Foundation's community health outreach efforts.

The mobile health van frequently visits community centers, old age homes, schools etc to conduct various health related camps such as diabetes awareness, blood donation, eye checkup, etc. The mobile health van services provided are free of charge as the Foundation. Hemoglobin checkup camps have helped people identify and treat many potentially harmful diseases.

The team at Kudal has been working towards building up a strong preventive health care service system. The year 2013–14 saw a lot of such camps being organized and notable among them were the below mentioned

- Eye checkup camps – 14 camps; Beneficiaries – 1,431 people
- Cataract detection and operation beneficiaries – 100 people
- School health checkup camps – 5 camps; Beneficiaries – 625 people
- Blood donation camps – 4 camps; Beneficiaries – 222 people
- Leptospirosis awareness – 2 camps; Beneficiaries – 380 people

Cyclothons

The Government of India has been taking several measures to promote Cycling as an alternate means of transport. The objective being to decongest the roads, promote sustainable cities and greener environment. Recognizing this as an important initiative, the Foundation, has started promoting cyclothons to spread the awareness of cycling, greener environment and also to ensure safer roads for pedestrains and cyclists.

Green Lane

Green Lane campaign had been conceived by a young 22 year old architect, Ashik Jain. Ashik is passionate about creating in awareness and a change on this cause for a green lane in India. He has undertaken a unique journey on a cycle from Kashmir to Kanyakumari, a distance of 5,000 Kms and met with over 70 schools to share the message of peace and harmony amongst school children and young adults.

Pedal for Peace

Global Foundation supports Pedal for Peace cyclothon, an annual event, that is held with an objective to promote the message of cycling, peace and harmony. The cyclothon is organized from Thane to Mumbai and back, covering a distance of more than 100 kms.

So far the cyclists have covered more than 13,000 kms spreading the message of cycling and peace.

DISABILITY

Netra

Disability is not just a health problem but a complex phenomenon. Overcoming difficulties faced by the visually impaired requires interventions by the community to remove environmental and social barriers.

Global Foundation has initiated and now supports Project Netra for the visually impaired by setting up Advanced Computer center. Global Foundation intends to provide proper training and support to enable the visually impaired cope with a competitive work environment, achieve success in pursuing higher education and discover better employment opportunities.

The Computer courses are supported by additional soft skills and personality development programs by Positrons and other volunteers. Refresher courses and sessions on interview giving are conducted for the visually impaired to enhance their job prospects in today's competitive market.

Last year a total 16 students were awarded certificates on successful completion of their courses. Many of them have found jobs in the IT sector, banks and have become financially independent. At present the Foundation is running successful batches and 18 students are currently undergoing the basic computer course at Global Foundation's Advanced Computer center for the Visually Challenged.

The Foundation encourages its students and trainers to seek better opportunities in the main stream corporate sector. Many students as well as past trainers have gone on to do very well in their professional careers after training / working with us.

Case Study: Khandu

Khandu Bhandare was born on May 20, 1987 and is currently working with State Bank of Hyderabad since November 2013. He completed his schooling from Happy home school for the blind Mumbai and graduation from Mithibhai college Vile Parle, Mumbai. He went to Bangalore to study computers where he learnt basic computers as well as programming, as he is fond of technology. He could finish only basic computing and came back to Mumbai and joined Global Foundations Advance Computer Centre, Andheri to learn computer programming. He managed to complete it successfully under the guidance of Raju Singh in 2010 and then his journey with started with Global Innovsource as recruitment executive in June 2010. He contributed a lot in recruitment process (Mumbai branch) as far as revenue generation, achieving assigned targets. He got transfered to Global Foundation's Advanced Computer centre for the blind in June 2012 as training coordinator where he shared his computer knowledge with other visually impaired students. This great journey came to an end when he decided to go in for a Government job as clerk with State Bank of Hyderabad.

Talk 64

Global Foundation has developed a Chess Software called Talk 64 which helps a visually challenged person to play chess. This Chess software is being distributed all over the world free of cost through the All India Chess Federation for the Blind. More than 2,000 visually challenged play Chess with this software.

Drishti

Global Foundation creates awareness on Eye donation through mass media campaigns, posters and on the website. The impact of this campaign has been seen, not only Globalites but many others have pledged to donate eyes and also create awareness.

COMMUNITY DEVELOPMENT

Community Development supports the establishment of strong communities who work together to improve the social structure of a country.

Employee Volunteerism Program

Unlike financial donations and in–kind support, employee volunteerism programs allow companies to cultivate a personal link to the social community. At Global we have realized that if you give employees the opportunity to pursue their social commitments, they'll have a renewed appreciation for the importance of their jobs. Employees who volunteer their time for the Foundation are known as Positrons–People who exude positivity.

Positrons are the lifeline of our CSR activities, through their continued commitment towards the Foundation's objectives the Foundation has been able to help engage all the group employees in a number of activities. At present the Foundation has 20 positrons and its growing.

Village Knowledge Center (VKC) – IT Education for Women & livelihood skill training programs

VKC has benefited housewives, generated employment and improved the standard of living of rural women. It's also a center for learning and awareness in rural areas which benefits the rural populace in a big way. Women get to earn a decent amount without having to leave their house for a longer duration and this has added to their self esteem in a huge way.

At present Global Foundation supports two VKCs in Sindhudurg which gives computer education and vocational trainings to women and housewives. Special tailoring batches for girls, soft toy training, purse making etc have benefited around 38 women from the nearby vicinity. More than 89 women have taken advantage of the computer training programs and have found small jobs nearby their homes.

Art of Giving (Payroll Giving Initiative)

Art of Giving is a voluntary pay roll giving initiative of Global Foundation through which Global Group employees provide financial contributions for the long–term sustainability of all the projects. More than 250 Global Group employees regularly donate to the Foundation.

Marathons

Standard Chartered Mumbai Marathon

Every year Global Group employees participate in the Standard Chartered Mumbai Marathon to support the various causes of Global Foundation. This year too, 75 Group employees took part in the Dream Run to support and donate to the Global Foundation.

Thane Marathon

The Thane Marathon has been an addition this year. 50 employees from the Global group had partcipated in the Marathon.

Overall, Global Group employees have so far run over **2,500** kms in support of the Foundation, and raising the awareness about the projects that the foundation supports.

Global Foundation's support to NGOs during the FY 2013–14

- AASARA Children's Home – Support the education of orphan / street children
- Stree Mukti Sanghatana – Support the livelihood training program for women
- SOS Children's Village – Educational Financial support to 20 children
- Gyanamrut Shikshan Mandal – Support to 3 Non–formal school
- Goonj – Donation of old items by employees of the Group Companies
- Forum for Integrated Development and Research –Training of Local Leaders in Orissa

ENVIRONMENT EXCELLENCE

GTL Limited is an Energy–conscious, Environment–friendly Business Organisation. The Company has been taking various measures to achieve continual sustainable development and has put in a comprehensive Environment at Management System (EMS).

GTL being a Service Provider has limited impact in terms of Environmental Pollution.

Some of the Initiatives taken are described below:

1) Statutory & Voluntary Compliances

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

2) Consumption of Natural Resources

The Company also actively moniters the consumption of electricity, water & paper.

As an offshoot from the EMS, GTL developed Green Energy based Solutions for Telecom Towers under the Energy Management System. GTL's Energy Management Services help in reducing Electricity and Diesel consumption expenses of Telecom sites.

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

3) Emissions, Effluents and Waste

GTL being a Telecom Service Provider does not contribute significantly to the Global E–waste scenario. Measures are taken to handle E–waste in a responsible manner by giving the E–waste to authorised E–waste recyclers. As a strategic approach used oil and batteries are given to the CPCB / MOEF authorised recyclers.

4) Awareness and Education

GTL drives major continuous Awareness Programs across various levels of the Organization. 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.

As the Company is listed at BSE 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/ND*	Attendance in Board Meetings		Attendance in last AGM	Other Companies as on March 31, 2014			
			Held	Attended		Board Directorship (including Chairmanship) **	Board Chairmanship **	Committee Membership (including Chairmanship) ***	Committee Chairmanship ***
Mr. Manoj Tirodkar	PD	ED	4	4	Present	2	1	1	0
Prof. S. B. Navathe	NPD	NED/ID	4	1$	Absent	0	0	0	0
Mr. Vijay Vij	NPD	NED/ID	4	4	Present	2	0	4	1
Mr. Sukanta Kumar Roy	NPD	ED##	2 #	2	Present	N.A.	N.A.	N.A.	N.A.
Mr. D. S. Gunasingh	NPD	NED/ID	4	3	Absent	1	0	2	1
Mr. Navin J. Kripalani	NPD	NED/ID	4	4	Present	0	0	0	0
Mr. Hemant Desai	NPD	NED/ID	4	4	Present	0	0	0	0
Mr. Ajay Sharma	NPD	NED/ID/ND	4^	4	Absent	1	0	0	0
Mr. B. L. Salian	NPD	NED/ID/ND	4^^	1	Absent	N.A.	N.A.	N.A.	N.A.
Mr. A. V. Prabhukhanolkar	NPD	ED	3##	3	Present	0	0	0	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, ND – Nominee Director.

** *In Indian Public Limited Companies.*

*** *In Audit, Shareholders' / Investors' Grievance and Nomination & Remuneration 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.*

Mr. Sukanta Kumar Roy's term as Whole–time Director expired on July 26, 2013 and thereafter he retired as a Director at the 25th Annual General Meeting held on September 17, 2013.

^ *Appointed by IDBI Bank as its Nominee Director w.e.f. October 8, 2012.*

^^ *Mr. B. L. Salian was appointed by Bank of India as its Nominee Director w.e.f. February 5, 2013. He relinquished his position as a Nominee Director of the Company w.e.f. February 12, 2014, upon his retirement from Bank's services and pursuant to withdrawal of his nomination by the Bank.*

Mr. Arun Vasudeo Prabhukhanolkar was appointed as Whole–time Director w.e.f. August 1, 2013.

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

Date of Board Meeting	08–May–13	03–Aug–13	31–Oct–13	04–Feb–14
Board Strength	9	10	9	9
No. of Directors Present	9	7	7	7

III. AUDIT COMMITTEE:

- **Powers of Audit Committee**
  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.
- **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 Auditors including Cost Auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors including Cost Auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
   i. Matters required to be included in the Directors' Responsibility Statement to be included in the Boards' report in terms of sub–section (2AA) of Section 217 of the Companies Act, 1956.
   ii. Changes, if any, in accounting policies and practices and reasons for the same.
   iii. Major accounting entries involving estimates based on the exercise of judgment by management.
   iv. Significant adjustments made in the financial statements arising out of audit findings.
   v. Compliance with listing and other legal requirements relating to financial statements.
   vi. Disclosure of any related party transactions.
   vii. 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 Auditors including Cost Auditors 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 including Cost 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 exists.

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, 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			
	08-May-13	03-Aug-13	31-Oct-13	04-Feb-14
Mr. Vijay Vij, Chairman	P	P	P	P
Mr. D. S. Gunasingh, Member	P	A	P	P
Mr. Navin J. Kripalani, 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 and Senior Level Appointments;
- Administer and supervise Employees Stock Option Scheme(s) 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			
	08-May-13	27-Jul-13	31-Oct-13	04-Feb-14
Mr. Vijay Vij, Chairman*	P	P	P	P
Mr. D. S. Gunasingh, Member	P	P	P	P
Mr. Navin Kripalani, Member#	P	P	P	P

P–Present, A–Absent

** Appointed as a Chairman of NRC w.e.f. April 1, 2013.*

 # Appointed as Member of NRC w.e.f. April 1, 2013.

- **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 Directors 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, 2014.**

Name of Director	Salary (₹)	PF / Pension Fund (₹)	Perquisites & Allowances (₹)	Commission (₹)	Performance linked bonus (along with Criteria) (₹)	Sitting fees (₹)	Total (₹)	Service Contract/ Notice period/ Severance fees/ Pension
Mr. Manoj Tirodkar	1,095,387	131,446	1,570,000	@	@	NA	2,796,833	*
Mr. Arun Prabhukhanolkar	1,176,000	141,120	1,492,841	@	@	NA	2,809,961	Retirement by Rotation **
Prof. S. B. Navathe	–	–	–	@	–	10,000	10,000	Retirement by Rotation
Mr. Vijay Vij	–	–	–	@	–	125,000	125,000	Retirement by Rotation
Mr. Sukanta Kumar Roy	1,202,668	150,384	1,251,080	@	@	NA	2,604,132	#
Mr. D. S. Gunasingh	–	–	–	@	–	110,000	110,000	Retirement by Rotation
Mr. Navin Kripalani	–	–	–	@	–	85,000	85,000	Retirement by Rotation
Mr. Hemant Desai	–	–	–	@	–	55,000	55,000	Retirement by Rotation
Mr. Ajay Sharma	–	–	–	N.A.	N.A.	@@ 40,000	40,000	^
Mr. B. L. Salian	–	–	–	N.A.	N.A.	@@ 10,000	10,000	^^

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

** *3 years w.e.f. August 01, 2013 / notice period 6 months or 6 months' salary in lieu of the notice / Nil / Nil.*

\# *Mr. Sukanta Kumar Roy's term as Whole–time Director expired on July 26, 2013 and thereafter he retired as a Director at the 25th Annual General Meeting held on September 17, 2013.*

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

^ *Appointed by IDBI Bank as its Nominee Director w.e.f. October 8, 2012.*

^^ *Mr. B. L. Salian was appointed by Bank of India as its Nominee Director w.e.f. February 5, 2013. He relinquished his position as a Nominee Director of the Company w.e.f. February 12, 2014, upon his retirement from Bank's services and pursuant to withdrawal of nomination by the Bank.*

@@ *Sitting fees payable to Nominee Directors are paid directly to the banks they represent.*

Notes:

1. Mr. Sukanta Kumar Roy, Director of the Company in his tenure was allotted ESOPs from time to time. He has converted the ESOPs into Equity Shares as detailed in earlier Annual Reports. Since the Company has closed all ESOP Schemes, resultantly all unvested warrants in the hands of the Director were cancelled.
2. Mr. D. S. Gunasingh held 100 equity shares in the Company as on March 31, 2014.
3. 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. D.S. Gunasingh#	Chairman
Mr. Manoj G. Tirodkar	Member
Mr. Vijay Vij	Member

\# *Appointed as Chairman of the Shareholders / Investors Grievance and Share Transfer Committee w.e.f. April 1, 2013.*

- Name of Non–Executive Director heading the Committee: *Mr. D. S. Gunasingh from April 1, 2013*
- Name and Designation of compliance officer: *Mr. Vidyadhar A. Apte, Company Secretary*
- Number of shareholders complaints received during 2013–14 : *6*
- Number not solved to the satisfaction of shareholders : *Nil*
- Number of pending complaints : *Nil*

VI. DETAILS OF GENERAL MEETINGS:

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

	2010–2011	2011–2012	2012–13
Date	October 19, 2011	September 12, 2012	September 17, 2013
Time	10.30 A.M.	10.30 A.M.	10.30 A.M.
Venue	Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai, 400 703		
Details of Special Resolutions passed	Nil	a. Appointment of M/s. Godbole Bhave & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants, as Joint Auditors of the Company. b. Alteration of Articles of Association for Increase in Authorised Share Capital. c. Issue of Non Participating Optionally Convertible Cumulative Preference Shares.	a. Appointment of M/s. Godbole Bhave & Co., Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants, as Joint Auditors of the Company. b. Appointment of Mr. Arun Prabhukhanolkar as a Whole–time Director of the Company. c. Re–appointment of Mr. Manoj G. Tirodkar as the Chairman & Managing Director of the Company. d. Substitution of the words describing Relevant date appearing in point (a) of the second paragraph of Resolution No. 11 passed at the 24th Annual General meeting. e. Ratification of the decision of the Board cancelling all outstanding and unvested warrants with the employees under earlier ESOP Schemes.

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

  No Special Resolutions were put through postal ballot last year, as the situation did not arise.

- **Person who conducted the postal ballot exercise:**

  Not applicable.

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

  The Company is proposing to pass Special Resolutions as under:

  a. Special Resolution under Section 180(1)(a) of the Companies Act, 2013, read with Rule 22(16)(i) of the Companies (Management and Administration) Rules, 2014, empowering the Company for creation of charges / mortgage.

  b. Special Resolution under Section 186(3) of the Companies Act, 2013, read with Rule 22(16)(j) of the Companies (Management and Administration) Rules, 2014, thereby empowering the Company for giving loans, guarantee or providing security in connection with loan to any other body corporate or a person and acquiring securities of any other body corporate, whether existing or new.

- **The Procedure for postal ballot:**

  a. Postal Ballot Forms are being sent to all shareholders with Draft resolution(s) and Explanatory Statement pursuant to Sections 110 and 102(1) of the Companies Act, 2013, for obtaining approval of the members.

  b. The Company has appointed. Mr. Virendra G. Bhatt, a Company Secretary in Practice, Mumbai, as Scrutinizer for conducting the Postal Ballot voting process.

  c. Members are requested to carefully read the instructions in the Postal Ballot Form, record their assent or dissent therein and cast their vote either electronically or by sending the Postal Ballot Form duly completed, in original, in the self–addressed pre–paid envelope, so as to reach the addressee on or before the closing of working hours i.e. 6:00 p.m on Monday, September 22, 2014.

  d. The Scrutinizer will scrutinize and submit his report to the Chairman & Managing Director / Whole–time Director after ascertaining votes through e–voting and Postal Ballot forms and the results of the Postal Ballot will be announced by the Chairman & Managing Director / Whole–time Director on Thursday, September 25, 2014.

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

Sr. No.	Date	Time	Venue	Purpose
1.	March 22, 2012 (Date of announcement of result of Postal Ballot)	11.00 a.m.	412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 038.	a) Alteration of Clause V of the Memorandum of Association of the Company pertaining to Authorised Share Capital. b) Alteration of Article 3 of the Articles of Association of the Company pertaining to Capital Clause. c) Authorizing Restructuring of Debts. d) Issue of Compulsorily Convertible Debentures on a Preferential Basis. e) Grant of options to CDR lenders for converting loans into Equity Shares. f) Increasing the borrowing limit. g) Delegation of authority to the Board for creation of charge / mortgage.
2.	FY 2012–13	NA	NA	NA
3.	FY 2013–14	NA	NA	NA

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:

  There was no such instance in the last three years.

- 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 of the Listing Agreement, the Company confirms that it has complied with all mandatory requirements prescribed in Clause 49 of the Listing Agreement for the financial year 2013–14. The Company has obtained a certificate from Joint Auditors Certifying its compliance with the provisions of Clause 49 of the Listing Agreement. This certificate is annexed to the Directors' Report for the FY 2013–14.

  Pursuant to sub–clause V of Clause 49 of the Listing Agreement, the Chairman & Managing Director (CEO) and the Chief Financial Officer (CFO) have issued a certificate to the Board, for the year ended March 31, 2014.

- **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 this Corporate Governance Report.
  - **Shareholders Rights –**

    Financial Results for the half year / quarter ended September 30, 2013 were published in the Free Press Journal and Navshakti newspapers and were also displayed on the Company's website www.gtllimited.com and disseminated to the Stock Exchanges (i.e. BSE & NSE) wherein its equity shares are listed, hence separately not circulated to the shareholders.
  - **Training of Board Members –**

    All new Directors inducted into the Board are provided with Policy Dossier containing policies and procedures followed by the Company. Detailed presentation is made to the members of the Board / Committees by Executive Directors and Senior Management Personnel providing insight of business strategy, business model, clientele, business prospects, nature of transaction etc. This provides a good opportunity for the Directors to understand the Company's Business Model and strategy. Also, the Board Members were furnished with a copy of presentation made by the Company Secretary on the Companies Act, 2013 for enabling them to understand provisions of the new legislation.

- **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-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13
Free Press Journal	09-May-13	04-Aug-13	01-Nov-13	05-Feb-14
Navshakti	09-May-13	04-Aug-13	01-Nov-13	05-Feb-14

- **Website where displayed**

  http://www.gtllimited.com

- **Whether it also displays official news releases and presentations**

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

IX. GENERAL SHAREOWNER INFORMATION:

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40300MH1987PLC045657.

1.	**Date, time and venue of the 26th Annual General Meeting**	Tuesday, September 16, 2014, 11:00 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400 703.	
2.	**Financial Calendar for FY 2014–2015**	**Quarter Ended**	**To be Published**
		First Quarter Results (Quarter ended June 30, 2014)	On or before August 14, 2014
		Second Quarter Results (Quarter ending September 30, 2014)	On or before November 14, 2014
		Third Quarter Results (Quarter ending December 31, 2014)	On or before February 14, 2015
		Fourth Quarter Results (Quarter ending March 31, 2015)	On or before May 30, 2015
3.	**Date of book closure**	Friday, September 12, 2014.	
4.	**Dividend Payment**	The Board has not recommended any dividend for FY 2013–14.	
5.	**Listing on Stock Exchanges**	BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). Listing Fees for 2014–15: Paid to both the Stock Exchanges.	

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

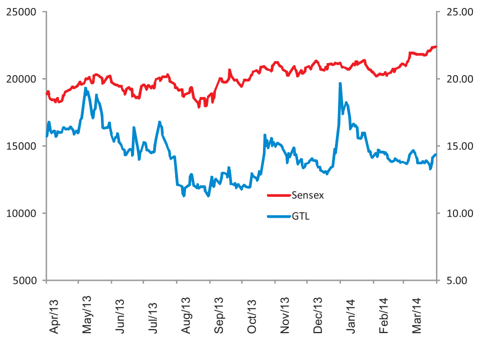
Stock Exchange / News Agency	Stock Code	Non–Convertible Debentures (Listing on BSE only)		
BSE	500160	**Series**	**ISIN**	**BSE Code**
NSE	GTL	Series III	INE043A08033	946496
Reuters Code	GTL.BO & GTL.NS	Series VI	INE043A08066	946523
Bloomberg ticker	GTS:IN	**Debenture Trustees**: IDBI Trusteeship Services Ltd., Asian Building, Gr. Flr., 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. **Tel**.: 022–4080 7000; **Fax**: 022–6631 1776 / 4080 7080; **Email**: itsl@idbitrustee.com		
Equity ISN	INE043A01012			

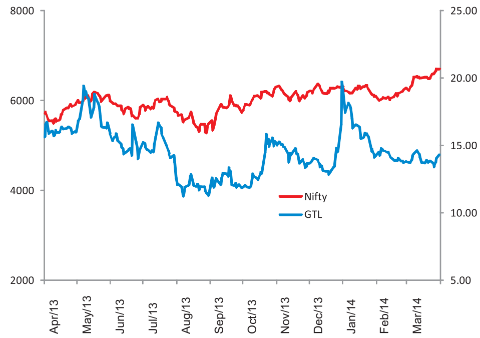
7. **Stock Market Price Data:**

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

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr–2013	16.80	15.70	2,111,335	16.75	15.60	3,546,217
May–2013	19.30	15.85	4,187,392	19.40	15.90	6,543,172
Jun–2013	16.35	14.00	1,377,988	16.55	14.00	3,121,122
Jul–2013	16.76	12.66	2,013,529	16.70	12.60	3,799,597
Aug–2013	12.89	11.25	1,078,858	12.85	11.25	2,381,503
Sep–2013	13.39	11.78	1,932,385	13.35	11.85	3,838,028
Oct–2013	15.84	11.95	3,554,069	15.80	11.90	7,146,279
Nov–2013	15.20	13.35	1,171,576	15.25	13.35	2,328,638
Dec–2013	19.67	12.88	3,596,466	19.70	12.85	6,462,494
Jan–2014	18.95	14.15	2,408,087	18.80	14.10	5,389,160
Feb–2014	14.70	13.74	533,592	14.75	13.70	1,098,909
Mar–2014	14.65	13.29	999,562	14.60	13.40	2,016,249

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





9. **Registrar and Share Transfer Agent:**

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 situated at the Registered Office of the Company. The ISC is registered with the Securities and Exchange Board of India (SEBI) as a Category II Share Transfer Agent (STA) under Permanent Registration Code INR000003951.

The Company's management systems *inter alia* that of the "Company Secretariat, Corporate Governance & Investor Services Centre" is accredited with ISO 9001:2008, certification.

10. **Share transfer system:**

As majority of shares of the Company are held in electronic (demat) form, requests for transfer of shares in physical form are negligible. Share transfers are processed and the share certificates duly endorsed are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfers/ transmission etc. of the Company's securities to the 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 346 (Previous year 2,333).

11. Distribution of shareholding as on March 31, 2014:

A Distribution of shares according to size of holding

No. of Shares	No. of Shareholders	% of Shareholders	Share amount (₹)	% to Total
Upto 500	80,079	86.89%	100,297,730	6.38%
501 – 1000	6,110	6.63%	49,383,300	3.14%
1001 – 2000	3,043	3.30%	46,448,100	2.95%
2001 – 3000	1,026	1.11%	26,279,490	1.67%
3001 – 4000	469	0.51%	16,976,200	1.08%
4001 – 5000	352	0.38%	16,588,600	1.05%
5001 – 10000	594	0.65%	43,021,440	2.74%
10001 & ABOVE	490	0.53%	1,273,972,950	80.99%
TOTAL	**92,163**	**100.00%**	**1,572,967,810**	**100.00%**

B. Distribution of shares by categories of shareholders

Category	No. of Shares Held	Voting Strength
Promoter & Promoter Group	69,579,994	44.23%
Bodies Corporate (Domestic) / Trusts / Clearing Members	9,601,142	6.10%
Banks	40,092,051	25.49%
Mutual Funds	164	0.00%
Financial Institutions (FIs)	1,307,259	0.83%
Foreign Institutional Investors (FIIs)	148,002	0.10%
Non–Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign National	1,049,131	0.67%
Resident Individuals	35,519,038	22.58%
TOTAL	**157,296,781**	**100.00%**

C Top 10 shareholders

Name(s) of Shareholders	Category	Shares	%
Global Holding Corporation Private Limited (Promoter)	Domestic Company	50,980,559	32.41%
Manoj Gajanan Tirodkar (Promoter)	Director	18,599,435	11.82%
Bank of India	Bank	6,099,512	3.88%
Andhra Bank	Bank	4,787,185	3.04%
Punjab National Bank	Bank	4,045,570	2.57%
IDBI Bank Limited	Bank	3,317,412	2.11%
Canara Bank	Bank	3,293,975	2.09%
Union Bank Of India	Bank	2,769,496	1.76%
Dena Bank	Bank	2,741,555	1.74%
Vijaya Bank	Bank	2,654,910	1.69%

12. Dematerialisation of shares and liquidity:

Trading in equity shares of the Company on the Stock Exchanges is permitted only in dematerialised form as per notification issued by SEBI. The shares of the Company are available for trading under both the Depository Systems in India – NSDL & CDSL. 99.81% of the Company's shares are held in dematerialised form as on March 31, 2014 (99.80% as on March 31, 2013).

The Company's equity shares are among the actively traded shares on the BSE and NSE. Relevant data for the average daily traded volumes is provided herein above.

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

No outstanding warrants or any convertible instruments are there as on March 31, 2014.

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–II, MIDC, TTC Industrial Area, Mahape, Navi Mumbai – 400 710, Maharashtra, India.
Website: www.gtllimited.com
CIN: L40300MH1987PLC045657

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. Jayendra Pai, Associate Vice President – Investor Services or Mr. Divesh R. Sawant, Manager – Investor Services
Tel.: +91 22 2761 2929
Extn. Nos. 2232–2235 **Fax:** +91 22 2768 0171
Website: www.gtllimited.com
E–mail for Investor Grievance/s:
gtlshares@gtllimited.com

Queries relating to financial statements, the Company's performance etc. may be addressed to:

Mr. Rahul Desai –
Head Investor Relations & Capital Markets
GTL Limited,
412, Janmabhoomi Chambers, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 038, Maharashtra, India.
Tel: +91 22 2271 5000 (**Extn:** 347)
Fax: +91 22 2261 9649
E–mail: ir@gtllimited.com

17. **Investor Services – complaints, queries and correspondence:**

Particulars	Op. Bal. April 1, 2013	Received	Resolved	Cl. Bal. March 31, 2014
Complaints	Nil	6	6	Nil
Other Correspondence	Nil	243	243	Nil
Total	Nil	249	249	Nil

18. **Compliance Officer:**

Mr. Vidyadhar A. Apte, Company Secretary, heading the Company Secretariat, Legal, 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:**

As on March 31, 2014, there were 57 cases against the Company, pending in various Courts and other Dispute Redressal Forums.

In 12 out of 57 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 12 cases.

The balance 45 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, highly exaggerated and without any basis and therefore the Company is resisting and defending these claims.

The total contingent liability against the Company is ₹ 105,632,828/–, a majority of which are from the power business of the Company.

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 Dividends:**

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

The Company has issued reminders to all such shareholders in respect of the Unclaimed / Unpaid Dividend for the F.Y. 2006–07 during February 2014 whose dividends remain unclaimed, as is customarily sent by the Company every year, before crediting the balance Unclaimed Dividend Amount to the IEPF. A statement showing the year/month(s) in which unpaid/unclaimed dividend(s) are due for transfer to the IEPF is given below:

Dividend Particulars	Rate	Date of Declaration (AGM Date)	Date of Transfer to Unclaimed A/c	Due Date for Transfer to IEPF
FY 2006–2007	25.00%	June 20, 2007	July 26, 2007	July 25, 2014
FY 2007–2008	30.00%	June 13, 2008	July 18, 2008	July 17, 2015
FY 2008–2009	30.00%	July 10, 2009	August 14, 2009	August 13, 2016
FY 2009–2010	30.00%	July 21, 2010	August 26, 2010	August 25, 2017

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of September 17, 2013 (date of last AGM) on the website of the Company as also on the website of the Ministry of Corporate Affairs.

22. Equity Shares in the Suspense Account:

The Company has no cases as are referred to in Clause 5 A (I) of the Listing Agreement with Stock Exchanges.

Members are requested to note that in compliance of Clause 5A (II) of the Listing Agreement with the Stock Exchanges, the Company has dematerialised all the unclaimed shares into “GTL Limited – Unclaimed Shares Demat Suspense Account” with one of the Depository Participants. The voting rights of those members shall remain frozen till the rightful owner claims the shares.

As stipulated under Clause 5A(II) of the Listing Agreement with the Stock Exchanges, the Company reports the following details of equity shares lying in the suspense account:

Details of the unclaimed shares as on March 31, 2014, are as under:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2013	926	102,477
(ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
(iv)	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on March 31, 2014	926	102,477

23. Changes to Equity Share Capital during the year ended March 31, 2014:

Date	Particulars	Increase/(decrease) in Share Capital		Cumulative Share Capital (₹)
		No. of Shares Amount (₹)	No. of Shares Amount (₹)	
April 1, 2013	Opening Share Capital	–	–	1,569,576,930
April 4, 2013	Preferential Allotment – CDR* Tranche 3	339,088	3,390,880	1,572,967,810
Share Capital as on March 31, 2014		**–**	**–**	**1,572,967,810**

** CDR – Corporate Debt Restructuring*

CERTIFICATE AND STATEMENTS

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, 2014.

Date: May 20, 2014
Place: Mumbai

Manoj G. Tirodkar
Chairman & Managing Director

COMPANY SECRETARY'S RESPONSIBILITY STATEMENT

The Board of Directors,

GTL Limited

This is to confirm that:

A. The Company has:

   i. Maintained all the Statutory Registers.

   ii. 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.

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

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

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

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

   vii. Not exceeded the borrowing powers.

   viii. Paid dividend, when declared, 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 and provisions of 98 sections of the Companies Act, 2013 which were notified w.e.f. September 12, 2013.

Place: Mumbai
Date: May 20, 2014

Vidyadhar A. Apte
Company Secretary

COMPANY SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Board of Directors,
GTL Limited

I have examined the registers, records, books, papers and Auditors Report of GTL Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014 (Period 01/04/2013 to 31/03/2014). 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 am of the opinion that in respect of the aforesaid financial year:

1. The Company is a listed Public Company.
2. All the requisite registers and other records required under the Act, and the Rules made there under have been maintained in electronic/physical mode in accordance with the requirements.
3. All the requisite forms, returns and documents required under the Act and Rules made there under have been filed with the Registrar and other authorities as per the requirements.
4. The Board of Directors duly met four times in respect of which meetings, proper notices through electronic mode were given and the proceedings were properly recorded, signed and maintained in loose leaf form which is binded periodically.
5. The Annual General Meeting for the financial year ended 31st March, 2013 was held on 17th September, 2013 after giving due notice to the members of the Company, and the resolutions passed there at were duly recorded in the Minutes Book maintained in loose leaf form and binded periodically.
6. The Board of Directors of the Company is duly constituted. During the period two directors have vacated office and one director has been appointed as Whole–time Director.
7. The Company has delivered all the certificates on allotment of securities and on lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
8. During the period, the Company has allotted 339,088 equity shares on 4th April, 2014 on conversion of 92978 – 1% Compulsory Convertible Debentures and are listed on BSE & NSE.
9. The Company has not altered the provisions of Memorandum of Association and Articles of Association.
10. No dividend has been declared during the period. The requirement relating to transfer of unpaid dividends for financial year 2005–2006 to the Investor Education and Protection Fund has been complied with.
11. The Company has filed all the required documents with the Stock Exchanges as per the Listing Agreement.
12. 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: May 20, 2014

INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / 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 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, 2011) which is currently the leading database textbook worldwide. His textbook has been translated into French, German, Italian, Spanish, Portugese, Polish, Basque, Chinese, Korean, Greek and Arabic. 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.

Mr. Vijay M. Vij, Director

Born on September 21, 1970, Mr. Vijay M. Vij, is a Practicing Chartered Accountant and has an experience of over 20 years in almost every facet of taxation, auditing and consulting profession. Mr. Vij is a commerce graduate from Mumbai University and became Chartered Accountant from ICAI in 1995.

Mr. Vij is an expert in Direct Taxation, Valuations, Financial Modeling, Business consultancy and M & A. He has effectively advised several companies on business restructuring and start up ventures, and helped them compete in tough Business environment. He has hands on experience in providing advice on tax efficient entry strategy for India, transfer pricing and tax treaty implications.

Currently he holds directorship in Chennai Network Infrastructure Limited and GTL Infrastructure Limited. He is the Member of Audit Committee and Nomination & Remuneration Committee of Chennai Network Infrastructure Limited. He is Chairman of Nomination & Remuneration Committee and Member of Audit Committee of GTL Infrastructure Limited.

In GTL Limited, he serves as the Chairman in Audit Committee, Nomination & Remuneration Committee and Member of Stakeholders Relationship Committee.

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

Mr. D. S. Gunasingh – Director

Mr. D. S. Gunasingh was born on March 1, 1949. He has been a member of the Board since December 29, 2011.

Mr. Gunasingh is presently engaged as an Advocate on Corporate Laws and other allied matters.

He has over 37 years of work experience in India as a Company Secretary in large corporates in the fields of Secretarial, Corporate Governance, Legal and Taxation. His professional assignments include managing affairs of boards and shareholders of large public listed companies; handling of issues for raising funds through equity and debt instruments in the Domestic Market and Bonds Issues in the International Markets; merger, demerger and takeover of companies; establishment of globally recognized corporate governance practices; legal representation before Income–Tax Appellate Tribunal and Company Law Board; practice as Advocate; and authoring a book on taxation.

Currently he holds directorship in Chennai Network Infrastructure Limited. He is the Chairman of Audit Committee and Member of Nomination & Remuneration Committee of Chennai Network Infrastructure Limited.

In GTL Limited he is the member of Audit Committee and Nomination & Remuneration Committee and Chairman of Stakeholders Relationship Committee.

Mr. Gunasingh's shareholding in the Company is 100 Equity Shares and Nil Equity Shares are held by his family members / relatives.

Mr. Navin J. Kripalani – Director

Mr. Navin J. Kripalani was born on April 6, 1949. He has been a member of the Board since December 29, 2011.

Mr. Kripalani has been the President of TiE, Pune Chapter in the years 2010 to 2011. He is one of the Founders, and a Governing Council Member, of Innovations Society, a small part of the Kirloskar Brothers Ltd. group. He is an Advisor to the Board at Indiasoft Technologies Pvt. Ltd., a Software Company in Pune.

In 1965, he was in the National Defence Academy, Khadakwasla, training to join the Indian Armed Forces. In 1977, he was one of the first few employees of Xerox Ltd. In 1985, he was the Managing Director of Kilobytes India Ltd., a company in SEEPZ, manufacturing and exporting 1 Million 5.25" Floppy Discs each month. This company was supported and funded by ICICI.

He has specialization in Managing Cultural Change, Critical Appraisal of Business, Getting Processes into your DNA, Assessing & Profiling Human Resource needs, Financial Services, including Debt & Equity Solutions and Strategic Business Initiatives.

In GTL Limited he is the member of the Audit Committee, Securities Allotment Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

Mr. Kripalani does not hold any shares of the Company and 3,750 Equity Shares are held by his family members / relatives.

Your Directors take pleasure in presenting their Twenty Sixth Annual Report together with the Audited Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

₹ in Crores

Particulars	FY 2013–14		FY 2012–13	
	Consolidated	Standalone	Consolidated	Standalone
Total Income	2,633.04	2,265.11	2,601.32	2,171.58
Profit before Depreciation, Interest and Financial Charges (Net) and Tax (PBDIT)	228.46	205.99	192.93	179.16
Profit before Depreciation and Tax (PBDT)	(380.87)	(333.64)	(373.86)	(361.76)
Less: Depreciation	126.72	110.95	177.65	157.24
Profit before Tax and extra–ordinary items	(480.94)	(444.59)	(551.51)	(519.00)
Less: Provision for Taxation (incl. Short Provision for Income Tax and Deferred Tax)	29.25	25.18	3.26	0.37
Profit after Tax (PAT) before Extra–ordinary and Prior Period items	(536.49)	(469.77)	(554.77)	(519.37)
Add/(Less): Extra–ordinary Item	26.65	Nil	Nil	Nil
Add: Minority Interest	0.34	N.A.	0.13	N.A.
Add: Share Profits in Associates	(24.89)	N.A.	0.30	N.A.
Add: Excess Provision of Equity Dividend and Dividend Distribution Tax written back	Nil	Nil	Nil	Nil
Add: Balance brought forward from the last year	(382.00)	(668.46)	172.34	(149.09)
Profit available for Appropriation	(943.39)	(1,138.23)	(382.00)	(668.46)
Appropriations:				
Recommended Equity dividend	Nil	Nil	Nil	Nil
Dividend Distribution Tax	N.A.	N.A.	N.A.	N.A.
Amount transferred to				
– General Reserve	Nil	Nil	Nil	Nil
– Debenture Redemption Reserve	Nil	Nil	Nil	Nil
Balance Carried Forward	(943.39)	(1,138.23)	(382.00)	(668.46)

2. RESULTS OF OPERATIONS AND BUSINESS OVERVIEW

Results of Operations

The financial highlights for the year are as follows:

On a consolidated basis:

- Revenue for the financial period under review was ₹ 2,633.04 Cr. as against ₹ 2,601.32 Cr. for the previous financial year.
- GTL, a Global Group Enterprise is a diversified technology and Infrastructure services Company focused on Telecom and Power businesses.

Business Overview and Recent Developments at Macro and Micro Economic levels

The telecom industry has shown marginal increase in subscriber base to 904.51 Mn. at the end of March 2014 against 861.66 Mn. at the end of February 2013, registering a growth of 4.97%, however, the growth is still below the subscriber base registered at 919.70 Mn. at the end of March 2012. The share of urban subscribers declined to 58.90% at the end of March 2014 from 60.50% in February 2013 vis–à–vis the share of rural subscribers which increased to 41.10% at the end of March 2014 from 39.50% in February 2013. With this, the overall tele–density in India has shown marginal improvement at 72.94 at the end of March 2014 vis–à–vis the overall tele–density of 70.42 in February 2013.

(*Source: Telecom Regulatory Authority of India, Press Release dated May 12, 2014*)

The Telecom industry continues to be under stress and had been dealing with several challenges on the financial, revenue and profitability fronts on one hand and Regulatory, Government and judicial scrutiny on other hand. The various factors adversely impacting the telecom and power sectors in general and the Company in particular, even post restructuring of its debts under Corporate Debt Restructuring mechanism were discussed in detail in earlier reports and the same are enumerated hereunder:

a. Cancellation of 2G licenses upheld by the Hon'ble Supreme Court;

b. Slower 3G and BWA growth;
c. Failed spectrum auctions;
d. Worsening performance of Telecom Operators;
e. Difficulty in raising fresh debt and equity;
f. Operators face huge penalties;
g. Debt woes of DISCOMs;
h. Fuel supply issues; and
i. Delay in power tariff hikes.

Further, the Company was expected to get increased / additional business arising out of acquisition of telecom tower portfolio of Aircel Limited and its subsidiaries by the Company's associate viz. Chennai Network Infrastructure Limited (CNIL). However, owing to various factors as stated above, Aircel failed to fulfil its minimum commitment of providing the required increased / additional business arising out of 20,000 new tenancies on Right of First Refusal basis to CNIL that resultantly affected adversely the Company's business.

The stability in the Government at Centre is expected to have a positive effect on policy and investment climate, leading to telecom industry growing in the coming years.

As the Indian telecom market moves from voice to data, the telcos face new technology and infrastructure related challenges in meeting their expansion and customer experience goals. The advent of technologies like 4G LTE is further adding to those challenges. Additionally, with the recent success of the spectrum auctions, the sentiments of telecom operators have improved. Operators are now opening up to the possibility of embracing the next wave of mobile broadband revolution – both on coverage and capacity increase of 3G, and the adoption of 4G / LTE. (source: Light reading).

Major developments in the Industry

The year has been a turnaround year with signs of stability and clarity in regulation returning to the sector. The following are some of the major industry developments that are going to have an impact on the earnings and profitability of the sector.

Clarity in regulatory policy

There have been several policy initiatives by the government in the areas of spectrum auction, unified licensing, liberalization of the M&A norms etc. as mentioned below.

Spectrum:

- All spectrums required for access services are being allotted through a transparent auction process. The recently concluded spectrum auction in February 2014 is a testimony to this fact
- The Government has taken a decision to allow spectrum sharing. Detailed guidelines are expected soon
- The Government has also come out with a roadmap on spectrum availability as well

FDI Policy:

- Foreign Direct Investment (FDI) is allowed up to 49% under automatic route and equity infusion beyond 49% up to 100% is with the approval of Foreign Investment Promotion

M&A norms

- The new rules require the acquiring telco to pay market rates (to the government) for spectrum above 4.4Mhz in the acquired telco
- The market share of the combined entity not to exceed 50%

Unified licensing

- All future telecom licenses will be granted as Unified Licenses, which will allow the provision of all voice and data services
- All Unified Licenses to have the validity of 20 years

Salient Features of Spectrum Auctions – Feb. 2014

- Reserve Price was lower than the previous auctions
- Total winning bids amounted to ₹ 61,162 Cr.
- 900 MHz auction saw competitive bidding. Delhi Circle received bids of more than 200% of Reserve Price
- The Quantum of Spectrum available for 1800 MHz band, was higher
- Operators hedged against the upcoming 900 MHz auction in 2015, by buying spectrum in 1800 MHz
- 8 Major operators participated in the auction
- Airtel, Vodafone, Idea and Jio acquired 95% of the auctioned spectrum

Power

The distribution segment plays a crucial role in the overall functioning of the power sector because it is a part of the system which generates revenues needed to pay generation and transmission utilities. The viability of the power sector as a whole is therefore critically dependent on the health of the distribution sector.

The distribution sector continuous to be plagued by losses. Indian Banks started an exercise to restructure the debt of Discoms in 2012 under a government–sponsored ₹2 Trillion bailout package. The efforts of the banks might not bear fruits if there is a downward revision of tariffs in the run up to or post elections.

The Delhi government took the lead on December 31, 2013 to cut tariffs by 50% for households consuming up to 400 units of power per month. On January 16, 2014, Haryana withdrew a tariff increase of up to 13% levied last year on households consuming 500 units a month. The Maharashtra government as well slashed power tariffs by 15–20% in all parts of the state except Mumbai on January 20, 2014.

The above said developments are substantially impacting the profitability and operations of the Discoms / Franchisee business (DF) for our Company.

However, in our opinion, it would take a considerably prolonged time in improving the economic scenario *inter–alia* the telecom and power sectors and in order to overcome the CDR scenario, the Company is contemplating bi–lateral / multi–lateral settlements, either one time, negotiated or otherwise, with the Lenders for which the Company may be required to initiate appropriate steps as elaborated in the proposals put forward before the members for approval.

Investment in GTL Infrastructure Limited (GIL)

GTL is the promoter of GIL and has invested ₹ 591.55 Cr. in GIL's equity capital. GTL has also invested ₹ 1,637.48 Cr. in Chennai Network Infrastructure Limited (CNIL), an associate of GIL. Thus, GTL's total investment in Tower business at cost is ₹ 2229.03 Cr.

After reaching settlement of dispute with IFCI and required approval obtained from the Regulators, on November 21, 2013, IFCI returned 17.55 Cr. equity shares of GIL and also released pledge on 9.71 Cr. equity shares of GIL, thereby restoring the shareholding of the Company in GIL to the earlier level of 27.26 Cr. equity shares.

3. CORPORATE DEBT RESTRUCTURING

a. Domestic Debt:

The Company has successfully implemented the Corporate Debt Restructuring (CDR) plan for its Rupee Term Loan. As on March 31, 2014, the amounts due and payable to CDR Lenders are as under:

Principal – ₹ 2,173.31 Cr.

FITL – ₹ 334.34 Cr.

Interest – ₹ 25.67 Cr.

The CDR Debt outstanding in the books as of March 31, 2014, is ₹ 2,533.32 Cr.

b. Non–Convertible Debentures (NCDs):

The Company has also successfully completed restructuring of its debt in the form of Rated Redeemable Unsecured Rupee Non–Convertible Debentures (NCDs) as on March 22, 2014. In terms of the Restructuring Agreement, a sum of ₹ 123.80 Cr. is payable by the Company to the NCD holders in respect of interest on Funded Interest Term Loan and interest on restructured NCDs.

The Company is in the process of completion of documents for giving effect to restructuring and creation of security favouring NCD holders with the concurrence of CDR Lenders. As on March 31, 2014, the amounts due and payable to NCD holders are as under:

Principal – ₹ 1,400.00 Cr.

Interest – ₹ 421.77 Cr.

The NCDs Debt outstanding in the books as of March 31, 2014, is ₹ 1821.77 Cr.

c. External Commercial Borrowings (ECB):

The Company availed loan in the form of External Commercial Borrowings (ECB) of US$ 150 Mn. in September 2006, due for repayment in September 2011. The Company and ECB lenders had agreed to an indicative term sheet for restructuring of the said loan and the same has been approved by Reserve Bank of India (RBI).

GTL has in the past and even today endeavours to take steps towards creation of security in favour of ECB lenders, closure of the ECB facility agreements, within its control to complete the ECB restructuring process. However, submissions by Standard Chartered Bank Mauritius (NCD Lender) against creation of security in favour of ECB lenders and resultant positions taken by certain ECB lenders and CDR Lenders have made it difficult for the Company to progress with the closure of the ECB restructuring process.

Despite all possible efforts taken by the Company, some ECB lenders have issued legal notice / threatened legal action against the Company for non–payment of interest and defaults, for which the Company has given suitable replies through its advocates. With the withdrawal of objection by SCB, the Company continues to take necessary steps to resolve inter–creditor issues among ECB and CDR Lenders. Subsequently the Facility Agent and Authorised Dealer have resigned and the Company is awaiting approval of new Facility Agent and Authorised Dealer.

As on March 31, 2014, the amounts due and payable to ECB lenders are as under:

Principal – ₹ 899.25 Cr.

Interest – ₹ 86.67 Cr.

The ECB Debt outstanding in the books as of March 31, 2014 is ₹ 985.92 Cr.

4. DIVIDEND:

Since your Company is currently under Corporate Debt Restructuring Mechanism and moreover, in view of the accumulated losses, the Directors express their inability to recommend any dividend on the paid–up Equity and Preference Share Capital of the Company for the financial year ended March 31, 2014.

5. SHARE CAPITAL AND COMPULSORILY CONVERTIBLE DEBENTURES (CCDs)

Share Capital:

i) Equity:

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

Particulars	No. of Equity Shares
Equity Capital as on April 1, 2013	156,957,693
Add: Allotment of Equity Shares on account of conversion of CCDs	339,088
Equity Capital as on March 31, 2014	**157,296,781**

The Company has only one class of equity shares and it has not issued equity shares with differential rights or sweat equity shares. Thus, the details required to be furnished for equity shares with differential rights and / or sweat equity shares as required under the Companies (Share Capital and Debentures) Rules, 2014 are not furnished.

Also, since the Company has cancelled all its outstanding Employee Stock Option Schemes in FY 2012–13, the details as required under the Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board Of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are not furnished.

ii) Preference:

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

iii) CCDs:

Consequent upon allotment of CCDs worth ₹ 0.93 Cr. to CDR Lender on April 3, 2013 under the CDR Scheme and its conversion into equity shares on April 4, 2013, the Share Capital of the Company has gone up from ₹ 156.96 Cr. to ₹ 157.30 Cr.

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 general approval granted under Section 212(8) of the Companies Act, 1956 by the Ministry of Corporate Affairs, Government of India vide its General Circular No. 2/2011 dated February 8, 2011 copies of the Balance Sheet, Profit and 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 general 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 shareholders, seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be kept open for inspection by any shareholder at the Registered/ Head 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 information about its subsidiaries. The Company's revenue from its overseas subsidiaries for the year ended March 31, 2014, on a consolidated basis was ₹ 371.19 Cr. (US$ 60.14 Mn.).

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

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

8. CORPORATE GOVERNANCE

The Company is complying with Clause 49 of the Listing Agreement with the Stock Exchanges. A separate Corporate Governance Report on compliance on Clause 49 of the Listing Agreement with the Stock Exchanges 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 in Annexure 'B' to this Report.

9. MANAGEMENT DISCUSSION AND ANALYSIS

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

Our associate base stood at 6,383 as on March 31, 2014 as against 6,478, as on March 31, 2013. For full details refer to the Human Resources write up in the MD&A Report.

11. 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.

12. 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'.

13. DIRECTORS

Pursuant to the provisions of Clause 49 of the Listing Agreement, Prof. Shamkant B. Navathe, Mr. Vijay M. Vij, Mr. D. S. Gunasingh, Mr. Navin J. Kripalani and Mr. Hemant Desai were appointed as Independent Directors. In terms of the provisions of the Companies Act, 1956, these directors were liable to retire by rotation.

In terms of the provisions of Section 149(4) of the Companies Act, 2013 (the Act), which came into effect from April 1, 2014, every listed public company is required to have at least one third of the total number of directors, as Independent Directors.

Mr. Vijay M. Vij, Mr. D. S. Gunasingh and Mr. Hemant Desai are due for retirement and eligible for appointment at the ensuing Annual General Meeting (AGM) of the Company. Accordingly, at the recommendations of the Nomination and Remuneration Committee, the Board proposes the appointment of Mr. Vijay M. Vij, Mr. D. S. Gunasingh, Prof. Shamkant B. Navathe and Mr. Navin J. Kripalani as Independent Directors under the provisions of Section 149 of the Act. These directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the ensuing AGM of the Company.

Mr. Hemant S. Desai, Director, has conveyed that due to ill health, he is not opting for re–appointment as a Director of the Company at the ensuing AGM.

Mr. B. L. Salian – General Manager, Bank of India was appointed as Nominee of Bank of India on the Board of the Company w.e.f. February 5, 2013. Since Mr. Salian retired from the services of Bank of India and as conveyed to the Company by the Bank in February 2014, Mr. Salian has relinquished the office of Director since then. The Bank has identified replacement of Mr. Salian as a Nominee Director and the Company is awaiting completion of formalities for making the appointment.

The term of appointment of Mr. Sukanta Kumar Roy as Whole–time Director expired on July 26, 2013 and he did not opt for reappointment. Mr. Roy also retired as Director of the Company at the 25th Annual General Meeting held on September 17, 2013.

The Board places on record its deep appreciation and respect for the valuable advice and guidance received from Mr. S. K. Roy, Mr. Hemant S. Desai and Mr. B. L. Salian during their respective tenure as Directors of the Company.

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

14. 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 44.23% of the Company's Paid–up Equity Capital. The members may note that the Promoter Group, *inter–alia* comprises of the following persons/entities: (1) Mr. Manoj. G. Tirodkar (2) Global Holding Corporation Pvt. Ltd. (3) Global SmartPower Private Limited.

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

i) Conservation of Energy:

As the Company is engaged in Network Services in the Telecom space and Power Distribution Franchisee business 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.

ii) 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.

iii) Foreign Exchange Earnings and Outgo:

During the year under review the Company earned foreign exchange of ₹ 1.89 Cr. and incurred foreign exchange expenditure of ₹ 43.64 Cr. the particulars of which are appearing in Note No. 2.32 of the Notes to the Accounts.

16. 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.

17. 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, 2014, 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 loss 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; and

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

18. 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 Fifth 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 certificates from the Joint Auditors respectively pursuant to Sections 139 & 141 of the Companies Act, 2013 regarding their eligibility and qualifications 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.

19. COST AUDITORS

The Cost Audit Branch of Government of India, Ministry of Corporate Affairs (MCA), New Delhi, vide Cost Order No. 52/26/CAB/2010 dated May 2, 2011 have issued industry wise Orders for appointment of Cost Auditors from FY 2011–12 onwards for companies carrying Telecom & Electricity activity. Also, as per the provisions of The Companies (Cost Accounting Records) Rules, 2011, applicable to all other products / activities of the Company, the Board of Directors of the Company has appointed M/s. V. G. Phadke & Co., Cost Accountants, Mumbai, as the "Cost Auditor" and "Cost Accountant" under Section 233B and Section 209(1)(d) respectively, of the Companies Act, 1956 for the Financial year 2013–14.

The relevant cost audit reports of FY 2012–13 were filed with Ministry of Corporate Affairs on September 26, 2013.

Pursuant to the provisions of Section 148 of the Companies Act, 2013, and Rules thereunder as may be prescribed, on the recommendation of the Audit Committee the Board of Director has appointed M/s. V. G. Phadke & Co., Cost Accountants, Mumbai, as the Cost Auditor for the financial year 2014–15.

20. 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.

21. GENERAL

Notes forming part of the Accounts are self–explanatory.

22. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co–operation extended by the clients, employees, vendors, bankers, financial institutions, investors, media and both the Central and State Governments and their Agencies and look forward to their continued support.

On behalf of the Board of Directors,

Mumbai
May 20, 2014

Manoj G. Tirodkar
Chairman & Managing Director

ANNEXURE 'A' TO DIRECTORS' REPORT

FORM B

(See rule 2)

Form for disclosure of particulars with respect to absorption.
Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company :

Telecom

- Tower Monitoring methodology by connecting directly to OSS alarm feeds across leading OEMs like Ericsson, NSN, ZTE & Huawei by using High Availability / High Performance (HA/HP) architecture and technology platform.
- Tower monitoring methodology for other operators using NMS and bespoke portals to monitor additional sites across different circles.
- Absorption & implementation of latest technology like virtualization in areas of applications, operating systems, RDBMS, Servers & Desktops.
- Modernization of Centralized Network Operations Center (NOC) to Global Command Center with state of the art infrastructure having intelligent video walls, functional data center with hosting and collocation facilities etc. to fully support the active and passive Infrastructure of Telcos in terms of tracking preventive maintenance, alarms verifications, vendor management and coordination.
- Testing & absorption of solutions such as video surveillance of sites and workforce tracking on pan India basis.

Power

- Development and deployment of GPRS / EDGE based Advance Metering Infrastructure (AMI) for remote meter data read of the distribution transformer (DT) and LT Industrial Consumers including temperature, power outage and door sensors using innovative and cost effective design for our power distribution network at Aurangabad.
- Use of Network Analysis software to analyze the electrical network at 33 KV and 11 KV level up to Distribution Transformer in order to identify technical losses in various segments and to recommend design changes to reduce such technical losses at lowest possible cost.
- Deployment of Business Intelligence tool (BI) and development for various analysis reports that are used for planning, forecasting, network optimization monitoring etc.
- We have implemented LT AB cable in theft prone area of approx. 35 Kms with a gain of approx. 1.2 MUs (million units) per month.

2. Benefits derived as a result of the above R&D:

Telecom

- Enhanced ability with higher efficiency, optimizing technological resources, value for money returns and simplification of management of technical architecture.
- Additional sites and tenancies being now monitored across 24 Hrs 7 days a week resulting enhancing the Up Time.
- Enhanced performance using optimized technical resources which can help to create mirroring with high availability clustering.
- This can be a Global Delivery center and can be offered as BCP / DR set up for cross country operations for customers.
- Real time view of activities and people movement to take corrective actions and business decisions.

Power

- Use of temperature sensor at DTC ensures early fault detection substantially reducing DTC failure and protecting capex investment.
- Early failure detection for reduction in losses and improvement in supply availability.
- Real time outage detection with exact location would also supply availability.
- Theft detection due to door switch.
- Improved operational efficiency due to automated meter read.
- Systematic and holistic network analysis would ensure optimized capex investment with maximum loss reduction.
- Use of LT–AB Cable resulted in reduction of losses.

3. Future plan of action

Telecom

- Enhanced remote management solution with automation of Trouble Ticketing for specific alarms status.
- Implement and roll out this Video surveillance and work force tracking solution across critical circles based on business.
- Implement a BCP / DR set–up to take care of business continuity and disaster recovery.

Power

- Scaling up the automatic metering infrastructure to cover more LT consumers.
- Implementation of advanced methods to identify revenue leakages.
- Software tools for network analysis and simulation.

4. Expenditure on R&D

a.	Capital :	₹ 19.54 Cr.
b.	Recurring :	₹ 1.38 Cr.
c.	Total :	₹ 20.92 Cr.
d.	Total R&D Expenditure as a percentage of total turnover :	0.79 %

Technology absorption, adaptation and innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation.

Telecom

- Significant efforts and in–roads have been achieved by organisation in new services offerings for operators & OEMs.

Power

- Continuous efforts have been made across various teams to use latest state–of–the–art technology solutions including software tools and electrical systems to improve operational efficiency, network performance and reduced losses.

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, 2, 3 above overall cost reduction by >10–15% with loss reduction, improved SLAs and business analysis / data analysis.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.
   a. Technology imported :
   b. Year of import :
   c. Has technology been fully absorbed ? :
   d. If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.

Not applicable

Mumbai
May 20, 2014

Manoj G. Tirodkar
Chairman & Managing Director

ANNEXURE 'B' TO DIRECTORS' REPORT

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, 2014, 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
Firm Reg. No. 114445W

M. V. Bhave
Partner
Membership No. 038812

For **YEOLEKAR & ASSOCIATES**
Chartered Accountants
Firm Reg. No. 102489W

S. S. Yeolekar
Partner
Membership No. 36398

Mumbai
May 20, 2014.

INDEPENDENT AUDITORS' REPORT

To
The Members of
GTL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GTL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub–section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dt.13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: –

i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
ii. in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
iii. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Emphasis of Matter

We draw attention to the :

a. Note No.2.37 regarding preparation of financial statements of the Company on going concern basis notwithstanding the fact that the Company has been incurring cash losses and it's networth has been substantially eroded as on the balance sheet date. These financial statements have been prepared on a going concern basis for the reasons stated in the said note. The appropriateness of assumption of going concern is dependent upon the company's ability to raise requisite funds /generate adequate cash flows in future to meet it's obligations
b. Note No 2.11.5 regarding the book value of non current investments being lower than there carrying value and non provision for diminution in value of these investments for the reasons mentioned therein.

Our opinion is not qualified in respect of these matters.

Other Matter

As at March 31,2014, the Company has a Term Loan and Funded Interest Term Loan Liability of ₹ 20.64 Crores payable to Standard Chartered Bank, one of the banks participating in Corporate Debt Restructuring Scheme approved by CDR Empowered Group. The Company has accounted the above liability as per the terms of CDR Scheme. However confirmation of the above liability has not been received.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub–section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under the provisions of section 227(3) of the Act, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. 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;
   c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act read with the General Circular 15/2013 dt.13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, and
   e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub–section (1) of section 274 of the Act.

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

M. V. Bhave
Partner
Membership No. – 038812

Place: Mumbai
Date: 20th May 2014

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

S. S. Yeolekar
Partner
Membership No. –036398

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of GTL Limited on the accounts for the year ended March 31,2014)

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

As explained to us, the Company has physically verified certain assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company. No material discrepancies were noticed on such physical verification.

In our opinion, during the year, the Company has not disposed off substantial part of its fixed assets.

(ii) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

In our opinion and according to the information and explanations given to us, 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.

According to the information and explanations given to us and 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, having regard to the size of the operations of the Company.

According to the information and explanations given to us, the Company has not granted or taken loans, secured or unsecured, to or from companies, firms and other parties covered in the register maintained under Section 301 of the Act. Accordingly clause (iii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

In our opinion and according to the information and explanations given to us, there is an adequate internal control procedures 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 procedures.

(v) Based on the information and explanation provided to us, during the year the Company has not entered into any contracts or arrangements, which were required to be entered in the register maintained u/s 301 of the Companies Act, 1956 and accordingly the provisions of clause 4(v) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(vi) According to the information and explanations given to us, 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 (Auditor's 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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Government of India under section 209 (1) (d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) On the basis of examination of the relevant records and according to the information and explanations given to us, we are of the opinion that the Company, except for payment of Service Tax, General Sales Tax, Value Added Tax and dues of labour welfare fund, is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State insurance, Income–tax, Wealth–tax, Income Tax deducted at source, Custom duty, Excise–duty, Cess and other applicable statutory dues.

On the basis of examination of the relevant records and according to the information and explanations given to us, except for General Sales Tax of ₹ 4.18 Crores, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection fund, Employees' State insurance, Income–tax, Wealth–tax, Value added Tax, Service Tax, Custom duty, Excise–duty and Cess were outstanding, as at 31st March 2014 for a period of more than six months from the date they became payable. Amounts due and outstanding for a period exceeding six months as at the year end to be credited to Investor Education and Protection fund of ₹ 0.14 Crores, which are held in abeyance on account of pending legal cases, have not been considered.

On the basis of the books of accounts and records of the Company as produced and examined by us , except for disputed Sales tax as detailed below, there are no dues of Income Tax, 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 (₹ in Crores)	Year to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, Sales Tax Act & VAT of various States	Sales/Vat Tax Dues	5.39	1992–1993, 1995 1996, 2008–2009, 2009–2010, 2010–2011 & Feb 09 to Dec 10	1st Appellate Authority
		1.51	1995–1996, 1997–1998, 2004–2005, 2008–2009 & 2009–2010	2nd Appellate Authority
		0.48	2009–2010	Assessing Officer
		2.90	2002–2003, 2005–2006, 2006–2007 & 2008–2009	Tribunal

Out of the above disputed sales tax dues, an amount of ₹ 0.57 Crores has been paid by the Company under protest.

(x) The accumulated losses of the Company as at the end of the financial year are in excess of 50% of it's networth. The Company has incurred cash loss during the financial year covered by our audit and also in the immediately preceding financial year.

(xi) On the basis of our examination of the records of the Company and according to the information and explanations given to us, the Company has defaulted in repayment of External Commercial Borrowings of ₹ 899.25 Crore due for payment in August, 2011 and interest of ₹ 86.67 Crore due thereon for the period 12th December, 2011 to 31st March, 2014.

The Company has also defaulted in redemption of Rated Redeemable Unsecured Rupee Non–convertible Debentures of ₹ 940 Crores comprising of amount of ₹ 470 Crores due for redemption in February, 2013 and of ₹ 470 Crores due for redemption in February, 2014 and Interest of ₹ 415.50 Crores due to holders of Rated Redeemable Unsecured Rupee Non–convertible Debentures for the period 2nd May, 2011 to 31st March, 2014.

Further the Company has defaulted in repayment of Secured term loan of ₹ 65.72 Crores to the banks relating to the period January 2014 to March 2014, which was due for payment on March 31, 2014.

Interest of ₹ 23.00 Crores on Term Loan and of ₹ 0.81 Crores on Funded Interest Term Loan was due for payment on 31st March ,2014. Out of the above, interest of ₹ 3.13 Crores in respect of Term Loan and of ₹ 0.08 Crores in respect of Funded Interest Term Loan has been paid by the Company subsequent to balance sheet date.

Details of defaults furnished above do not include the cases where the funds are made available by the Company for payments but not appropriated by the banks against the liabilities.

Except for above, there are no defaults in payment of dues to banks considering that the debts of the Company have been restructured under Corporate Debt Restructuring (CDR) scheme.

(xii) In our opinion and according to the explanations given to us and based on the information available, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's 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 (Auditor's Report) Order, 2003 are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures or other investments. The Company has maintained proper records of transactions and contracts in respect of investments in shares and Mutual funds and timely entries have been made therein. All the investment in shares and mutual funds have been held by the Company in its own name.

(xv) The Company has given corporate guarantees aggregating to ₹ 594.79 Crores for loans taken by Subsidiary Companies, an associate Company and affiliate Company from banks and financial institutions. It has been explained to us that these guarantees are given in the course of and for furtherance of business interest of the Company and accordingly the terms and conditions of these guarantees are not prejudicial to the interest of the Company. We are, however, unable to comment on the same.

(xvi) In our opinion and according to the information and explanations given to us, the Company has not raised new term loan during the year. Therefore, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xvii) On an overall examination of the Balance sheet of the Company as at 31st March, 2014 and related information made available and representations by the management more specifically regarding restructuring under process relating to External Commercial Borrowings and Rated Redeemable Unsecured Rupee Non–convertible Debentures , we are of the opinion that short term funds of ₹ 306.88 have been used for long term purposes.

(xviii) The Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company had created security in respect of 92978 Compulsorily Convertible Debentures (CCDs) aggregating to ₹ 0.93 Crores issued to the lender during the year. These CCDs got converted in to Equity Shares of the Company and no CCDs are outstanding as on March 31,2014.

The 'Rated Redeemable Unsecured Rupee Non Convertible Debentures' issued by the Company in the earlier years on private placement basis are unsecured and therefore, no security is created in respect of these debentures.

(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 year, nor we have been informed of any such case by management.

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

M. V. Bhave
Partner
Membership No. – 038812

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

S. S. Yeolekar
Partner
Membership No. –036398

Place: Mumbai
Date: 20th May, 2014

Balance Sheet as at March 31, 2014

		Note	**As at March 31, 2014 ₹ in Crores**	As at March 31, 2013 ₹ in Crores
I.	**EQUITY AND LIABILITIES**			
	SHAREHOLDER'S FUNDS			
	Share Capital	2.1	**807.30**	806.96
	Reserves and Surplus	2.2	**20.50**	489.69
			827.80	1,296.65
	NON–CURRENT LIABILITIES			
	Long–term borrowings	2.3	**2,064.89**	2,900.60
	Other Long term liabilities	2.4	**2.17**	2.18
	Long term provisions	2.5	**1.66**	2.06
			2,068.72	2,904.84
	CURRENT LIABILITIES			
	Short–term borrowings	2.6	**246.65**	245.65
	Trade payables	2.7	**141.69**	324.53
	Other current liabilities	2.8	**3,391.11**	2,488.64
	Short–term provisions	2.9	**0.35**	2.59
			3,779.80	3,061.41
	Total		**6,676.32**	7,262.90
II.	**ASSETS**			
	NON–CURRENT ASSETS			
	Fixed assets	2.10		
	Tangible assets		**368.94**	446.59
	Intangible assets		**12.39**	23.64
	Capital work–in–progress		**22.95**	19.36
			404.28	489.59
	Non–current investments	2.11	**3,622.98**	2,639.75
	Long term loans and advances	2.12	**1,475.39**	2,103.17
			5,098.37	4,742.92
	CURRENT ASSETS			
	Current investments	2.13	**45.01**	Nil
	Inventories	2.14	**8.70**	298.39
	Trade receivables	2.15	**466.13**	826.43
	Cash and Cash equivalents	2.16	**162.32**	109.24
	Short–term loans and advances	2.17	**313.63**	298.37
	Other current assets	2.18	**177.88**	497.96
			1,173.67	2,030.39
	Total		**6,676.32**	7,262.90
Significant Accounting Policies		1		
and Notes form an integral part of the financial Statements		2.1 to 2.41		

As per our report of even date

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

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

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

Arun Prabhu Khanolkar
Whole–time Director

Vijay Vij
Director

M.V. Bhave
Partner
Membership No. 38812

S.S.Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : May 20, 2014

Statement of Profit and Loss for the year ended March 31, 2014

	Note	For the year ended March 31, 2014 ₹ in Crores	For the year ended March 31, 2013 ₹ in Crores
Revenue from operations	2.19	**2,265.11**	2,171.58
Less: Excise Duty		**Nil**	Nil
		2,265.11	2,171.58
Other Income	2.20	**73.11**	41.68
Total Revenue		**2,338.22**	2,213.26
Expenses:			
Cost of Purchases/Services	2.21	**1,891.88**	1,786.94
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	2.22	**(0.89)**	12.81
Employee benefits expenses	2.23	**158.33**	151.18
Finance Costs	2.24	**539.63**	540.92
Depreciation and amortization expense	2.10	**110.95**	157.24
Other expenses	2.25	**82.91**	83.17
Total Expenses		**2,782.81**	2,732.26
Profit / (Loss) before exceptional and extraordinary items and tax		**(444.59)**	(519.00)
Exceptional Items		**Nil**	Nil
Profit / (Loss) before extraordinary items and tax		**(444.59)**	(519.00)
Extraordinary Items		**Nil**	Nil
Profit / (Loss)		**(444.59)**	(519.00)
Tax expense:	2.26		
Current tax		**Nil**	Nil
Short Provision for Income Tax for earlier years		**25.18**	0.37
Deferred tax Liability / (Asset)		**Nil**	Nil
Profit / (Loss) from the year after Tax		**(469.77)**	(519.37)
Earnings per equity share:			
Equity Shares of per value ₹ 10/– each			
Before Extra–ordinary items			
Basic		**(29.87)**	(35.93)
Diluted		**(29.87)**	(35.93)
After Extra–ordinary items			
Basic		**(29.87)**	(35.93)
Diluted		**(29.87)**	(35.93)
Significant Accounting Policies	1		
and Notes form an integral part of the financial Statements	2.1 to 2.41		

As per our report of even date

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

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

For **M/s Yeolekar & Associates**
Chartered Accountants
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Arun Prabhu Khanolkar
Whole–time Director

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Director

M.V. Bhave
Partner
Membership No. 38812

S.S.Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : May 20, 2014

Cash Flow Statement for the year ended March 31, 2014

Particulars		For the year ended March 31, 2014 ₹ in Crores	For the year ended March 31, 2013 ₹ in Crores
CASH FROM OPERATING ACTIVITIES			
Net Profit / (Loss) before tax and extraordinary items:		**(444.59)**	(519.00)
Adjustments for:			
Depreciation		**110.95**	157.24
Interest and Dividend Income		**(13.95)**	(2.54)
Bad Debts written off		**25.84**	Nil
Provision for doubtful Trade Receivables (Net)		**1.22**	9.02
Provision for Doubtful Receivables – Others (Net)		**0.41**	Nil
Debit/Credit balances and claims written off (Net)		**(15.28)**	1.79
(Profit)/Loss on sale of fixed assets (Net)		**0.01**	(0.19)
(Profit) on sale / redemption of Investments		**(20.62)**	(1.89)
Unrealised Exchange (Gain)/Loss		**21.85**	13.03
Employee Compensation Expenses under ESOP		**Nil**	(1.20)
Provision for Wealth Tax		**0.01**	0.01
Interest on Borrowings		**479.03**	466.99
Financial Charges		**19.98**	30.52
Operating Profit before Working Capital changes		**164.86**	153.78
Adjustments for:			
Inventories		**(2.08)**	12.81
Trade Receivables		**212.44**	45.54
Loans and advances		**316.82**	(29.23)
Other Current Assets		**(28.30)**	119.85
Trade payables		**(166.89)**	(155.65)
Other current liabilities and provisions		**(41.92)**	(45.84)
Cash generated from Operations		**454.93**	101.26
Direct taxes received / (paid)		**(2.97)**	(18.35)
Cash Flow from Operating Activities		**451.96**	82.91
Extraordinary items:			
Extraordinary item		**Nil**	Nil
Net Cash from Operating Activities:	**(A)**	**451.96**	82.91
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		**(32.31)**	(18.90)
Proceeds from Sale of Fixed Assets		**0.51**	0.24
Capital Subsidy received		**7.63**	11.39
Realisation of Capital Advance		**119.61**	Nil
Realisation of receivables for Disposal of investment		**49.00**	Nil
Proceeds from sale of Investments in Mutual Fund		**943.32**	468.36
Purchase of investments – other than Subsidiaries		**(50.23)**	Nil
Purchase of Investments – Mutual Fund		**(967.73)**	(466.47)
Interest and Dividend Income		**9.41**	2.54
Net cash generated from/(used in) investing activities	**(B)**	**79.21**	(2.83)

Particulars		For the year ended March 31, 2014 ₹ in Crores	For the year ended March 31, 2013 ₹ in Crores
CASH FLOW FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Borrowings		**(195.45)**	266.65
Interest paid		**(264.60)**	(291.22)
Financial Charges		**(18.05)**	(30.52)
Net cash received from/(used in) financing activities	**(C)**	**(478.10)**	(55.08)
Net increase in cash and cash equivalents	**(A + B + C)**	**53.07**	24.98
Cash and cash equivalents (Opening)		**109.24**	84.25
Cash and cash equivalents (Closing)		**162.32**	109.24
Cash and Cash equivalents as restated		**162.32**	109.24

(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 ₹ 36.89 Cr. (Previous year ₹ 33.31 Cr.) which are pledged and also includes ₹ 0.57 Cr. (Previous Year ₹ 1.37 Cr.) towards amount payable for Unclaimed Dividend.

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

a) Increase in paid up Equity Share capital of ₹ 0.34 Cr. (PY ₹ 59.69 Cr.) & in Securities Premium Reserve of ₹ 0.58 Cr. (PY ₹ 211.61 Cr.) which is on account of conversion of Compulsory Convertible Debentures (CCDs) alloted to the lenders under CDR Package.

b) Return of Inventory of ₹ 291.76 Cr. and its consequential impact on advances to suppliers classified under Long Term Loans and Advances

c) Increase in non current investment on account of:

i) Restoration of Company's investment of ₹ 300.32 Cr. in Equity Shares of GTL Infrastructure Limited which were earlier invoked by IFCI, a lender of the Company's Associate, Chennai Network Infrastructure Limited (CNIL).

ii) Acceptance of Investment of ₹ 200.00 Cr. in Preference Shares and of ₹ 150.00 Cr. in Fully Convertible Debentures of Global Rural Netco Limited against amount recoverable towards supplier advances and trade receivable.

iii) Acceptance of Investment of ₹ 241.48 Cr. in Preference Shares of Europian Projects and Avaiations Limited against amount recoverable towards supplier advances and trade receivable.

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

As per our report of even date

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

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

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

Arun Prabhu Khanolkar
Whole–time Director

Vijay Vij
Director

M.V. Bhave
Partner
Membership No. 38812

S.S.Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : May 20, 2014

1. Significant Accounting Policies

1. Basis for preparation of Financial Statements:

The Financial Statements have been prepared on a going concern basis under historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 (to the extent applicable) and the provisions of Companies Act, 2013 (to the extent notified).

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

3. Revenue recognition:

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

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

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

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

d. Revenue from Services is recognized on performance of Service

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

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

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

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

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

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. All identifiable costs incurred up to the 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. Costs are adjusted for grants available to the Company which are recognized based on reasonable assurance that the Company will comply with the conditions attached to the grant and it is reasonably certain that the ultimate collection of grants will be made.

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

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

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 estimated by the management. The aggregate depreciation provided based on estimated economic useful life is not less than the depreciation as calculated at the rates specified in Schedule XIV of the Companies Act, 1956.

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

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

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

6. Impairment of Assets:

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

7. Investments:

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

8. Inventories:

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

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

9. Foreign currency transactions:

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

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

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

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

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

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

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

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

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

10. Employee Benefits:

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

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

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

11. Provision for Current and Deferred Tax:

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

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

12. Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

13. Financial Derivatives and Hedging Transactions:

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

14. Borrowing Cost:

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

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

15. Leases:

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

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

16. Provision for Doubtful Debts and Loans and Advances:

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

17. Research and Development:

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

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

2. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.1 SHARE CAPITAL

₹ in Crores

Particulars	**As at March 31, 2014**	As at March 31, 2013
Authorised:		
290,000,000 (290,000,000) Equity Shares of ₹ 10 each.	**290.00**	290.00
810,000,000 (810,000,000) Preference Shares of ₹ 10 each.	**810.00**	810.00
	1,100.00	1,100.00
Issued, subscribed and paid up:		
157,296,781 (156,957,693) Equity Shares of ₹ 10 each fully paid–up.	**157.30**	156.96
650,000,000 (650,000,000) 0.01% Non–participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid–up.	**650.00**	650.00
Total	**807.30**	806.96

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

₹ in Crores

Particulars	As at March 31, 2014		As at March 31, 2013	
	Nos.	**Amount**	Nos.	Amount
Number of Equity Shares at the beginning of the year	**156,957,693**	**156.96**	97,267,833	97.27
Add: Allotment of Equity Shares of ₹ 10 each fully paid up on account of Conversion of Compulsorily Convertible Debentures (CCDs) issued to Promoter and CDR Lenders under Corporate Debt Restructuring (CDR) package approved to the Company.	**339,088**	**0.34**	59,689,860	59.69
Total Number of Equity Shares at the end of the year	**157,296,781**	**157.30**	156,957,693	156.96

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

₹ in Crores

Particulars	As at March 31, 2014		As at March 31, 2013	
	Nos.	**Amount**	Nos.	Amount
Number of Preference Shares at the beginning of the year	**650,000,000**	**650.00**	Nil	Nil
Add: Allotment of 0.01% Non–participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid–up.	**Nil**	**Nil**	650,000,000	650.00
Total Number of Preference Shares at the end of the year	**650,000,000**	**650.00**	650,000,000	650.00

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

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

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

The equity shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 1956 (to the extent applicable) and the provisions of Companies Act, 2013 (to the extent notified), read together with Memorandum of Association of the Company.

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

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

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

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

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

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

The OCPS holders shall have such rights as per the provisions of the Companies Act, 1956 (to the extent applicable) and the provisions of Companies Act, 2013 (to the extent notified), read together with Memorandum of Association of the Company.

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

Name of the shareholder	**No. of Shares as at March 31, 2014**	**% held as at March 31, 2014**	No. of Shares as at March 31, 2013	% held as at March 31, 2013
Global Holding Corporation Private Limited	**50,980,559**	**32.41%**	50,980,559	32.48%
Manoj G. Tirodkar	**18,599,435**	**11.82%**	18,599,435	11.85%

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

Name of the shareholder	**No. of Shares as at March 31, 2014**	**% held as at March 31, 2014**	No. of Shares as at March 31, 2013	% held as at March 31, 2013
Chennai Networks Infrastructure Limited	**650,000,000**	**100%**	650,000,000	100%

2.2 RESERVES AND SURPLUS

₹ in Crores

Particulars	**As at March 31, 2014**	As at March 31, 2013
Capital Reserve		
Opening balance	**0.00**	0.00
Add: Transferred from Statement of Profit and Loss	**Nil**	Nil
Closing Balance	**0.00**	0.00
Capital Redemption Reserve		
Opening balance	**8.63**	8.63
Add: Transferred from Statement of Profit and Loss	**Nil**	Nil
Closing Balance	**8.63**	8.63
Securities Premium Reserve		
Opening balance	**447.60**	235.99
Add: On issue of Equity shares on conversion of CCD	**0.58**	211.61
Closing Balance	**448.18**	447.60
Debenture Redemption Reserve		
Opening balance	**191.16**	191.16
Add: Transferred from Statement of Profit and Loss*	**Nil**	Nil
Closing Balance	**191.16**	191.16

₹ in Crores

Particulars	**As at March 31, 2014**	As at March 31, 2013
Employee Stock Option Outstanding		
Opening balance	**Nil**	1.20
Addition / (Deletion) during the Year (Refer Note No.2.31)	**Nil**	(1.20)
	Nil	Nil
General Reserve		
Opening balance	**510.76**	510.76
Add: Transferred from Statement of Profit and Loss	**Nil**	Nil
Closing Balance	**510.76**	510.76
Balance in Statement of Profit and Loss :		
Surplus / (Deficit) Opening Balance	**(668.46)**	(149.09)
Add /Less : Net profit / (loss) after tax transferred from Statement of Profit and Loss	**(469.77)**	(519.37)
Surplus/(Deficit) Closing Balance	**(1,138.23)**	(668.46)
Total of Reserves and Surplus	**20.50**	489.69

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

2.3 LONG TERM BORROWINGS

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Secured Loans		
Term Loans:		
From Banks	**2,064.89**	2,440.60
Total of Long Term Secured Loan (Refer Note 2.3.1 & 2.3.2)	**2,064.89**	2,440.60
Unsecured Loans		
Debentures:		
Rated Redeemable Unsecured Rupee Non–convertible Debentures (Refer Note 2.8.1)	**Nil**	460.00
Total	**Nil**	460.00
Total of Long Term Borrowings	**2,064.89**	2,900.60

2.3.1 Nature of security:

I) Security created:

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

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

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

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

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

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

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

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

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

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

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

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

II) Security offered pending creation of charge

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

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

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

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

₹ in Crores

Nature of facility and Rate of interest	During the Financial Year Ending						
	Mar 15	Mar 16	Mar 17	Mar 18	Mar 19	Mar 20	Mar 21
WCTL – 11%	277.30	369.73	369.74	415.96	231.09	231.09	231.09
FITL – 2%	98.27	98.27	117.92	Nil	Nil	Nil	Nil
Rated Redeemable Unsecured Rupee Non–convertible Debentures – 9.95%	460.00	Nil	Nil	Nil	Nil	Nil	Nil
Total	**835.57**	**468.00**	**487.66**	**415.96**	**231.09**	**231.09**	**231.09**

2.4 OTHER LONG TERM LIABILITIES

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Security Deposits *	**2.17**	2.18
Total	**2.17**	2.18

*Include ₹ 2.16 (₹ 2.16) received from related party.

2.5 LONG TERM PROVISIONS

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefit		
i) Gratuity	**Nil**	0.33
ii) Leave Encashment	**1.66**	1.73
Total	**1.66**	2.06

2.6 SHORT TERM BORROWINGS

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Loans repayable on demand :		
From Banks		
– Cash Credit – Secured*	**246.65**	245.65
Total	**246.65**	245.65

*For details of Securities offered in respect of cash credit facility refer note no. 2.3.1

2.7 TRADE PAYABLE

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Payables	**141.69**	324.53
Total	**141.69**	324.53

2.7.1 The Balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

2.7.2 Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

The information required to be disclosed has been furnished to the extent parties have been identified as Micro, Small and Medium Enterprises on the basis of information available in this regard with the Company.

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Principal amount remaining unpaid	**2.36**	2.78
Interest due thereon	**2.03**	1.73
The amount of interest paid in terms of section 16, along with the amounts of the payment made beyond the appointed day during accounting year	**Nil**	Nil
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	**Nil**	Nil

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
The amount of interest accrued and remaining unpaid at the end of accounting year	**2.03**	1.73
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	**0.30**	Nil

2.8 OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of Secured Long Term Loan from Bank	**375.57**	263.52
Current Maturities of Rated Redeemable Unsecured Rupee Non–Convertible Debentures (Refer Note No. 2.8.1)	**460.00**	470.00
Dues payable to holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures (Refer Note No. 2.8.1)	**940.00**	470.00
Dues payable to Lenders of External Commercial Borrowing (Refer Note No. 2.8.2)	**899.25**	815.70
Dues payable to Banks for Secured Long Term Loan(Refer Note No.2.8.3)	**67.19**	Nil
Application Money towards 1% Compulsory Convertible Debenture (CCD)	**Nil**	0.93
Interest accrued but not due on borrowings	**6.27**	20.12
Interest accrued and due on borrowings (Refer Note No. 2.8.4)	**527.90**	295.88
Interest accrued and due on Others	**2.03**	1.73
Unpaid dividends (Refer Note No. 2.8.5)	**0.71**	1.37
Capex Creditors	**4.31**	2.85
Expense Creditors	**30.00**	30.22
Provision for Expenses	**9.52**	11.45
Accrued salaries and Employee benefits	**5.14**	4.87
Withholding and other taxes payable	**14.68**	31.31
Advance from Customers	**24.33**	43.09
Security Deposit Received	**0.66**	1.15
Unearned Revenue	**21.62**	21.87
Other Liabilities*	**1.93**	2.58
Total	**3,391.11**	2,488.64

*Includes due to employees towards insurance claims ₹ 1.90 Cr. (₹ 2.50 Cr.).

2.8.1 Dues to holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures comprise of unpaid amount of debentures due for redemption in Feb 13 and Feb 14 of ₹ 470.00 Cr. each.

The holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures have given their consent to be part of Corporate Debt Restructuring Scheme. Accordingly, the Company and the holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures have entered into amendment to the original sanction letter on March 22, 2014 to restructure NCD debt. pending fulfillment of conditions mentioned therein, the effect of the same is not given in the books.

2.8.2 External Commercial Borrowing (ECB) of US$ 150 Mn. availed by the Company was due for repayment in September 2011 and therefore entire amount due to ECB lenders is overdue for payment.

The Company and ECB lenders had agreed to an indicative term sheet for restructuring of ECB that has been approved by Reserve Bank of India (RBI). The diverse stand taken by different sets of lenders has resulted in non–execution of inter–creditor agreement. In order to over–come impasse, the Company arranged for joint meeting of CDR lenders, ECB lenders and NCD holders in February 2014 and the Company is awaiting required documents for concluding ECB restructuring. Pending execution of documentation, the Company has accrued interest on ECB at original agreed rate.

In the meantime the Company has commenced discussion with certain lenders to do settlement of the respective dues.

2.8.3 Dues payable to Banks for Secured Long Term Loan of ₹ 67.19 Cr. (Nil) comprises of:

a. Overdue amount of ₹ 65.72 Cr. relating to period January 2014 to March 2014.

b. Overdue amount of ₹ 1.47 Cr. relating to period June 2013 to December 2013. The Company has made funds available before the due date of payment of loan in the current account with the concerned bank. However, the same is not appropriated by the said bank against the loan liability.

2.8.4 Interest accrued and due on borrowings comprises of

a) Overdue Interest of ₹ 415.50 Cr. relating to the period May 2011 to March 2014 (₹ 250.89 Cr. for the period May 2011 to February 2013) on 'Rated Redeemable Unsecured Rupee Non–convertible Debentures;

b) Overdue Interest of ₹ 86.67 Cr. relating to the period for December 12, 2011 to March 31, 2014 (₹ 44.66 Cr. for the period December 12, 2011 to March 19, 2013) on External Commercial Borrowing;

c) Overdue Interest of ₹ 23.00 Cr. (Nil) and ₹ 0.81 Cr. (₹ 0.24 Cr.) on Term Loan and Funded Interest Term Loan respectively relating to the period February 14 to March 14, out of such overdue interset ₹ 3.13 Cr. and ₹ 0.08 Cr. on Term Loan and Funded Interest Term Loan respectively has been paid subsequently.

d) Overdue Interest of ₹ 1.78 Cr. for period April 13 to February 14 (Nil) on Term Loan and ₹ 0.08 Cr. for the period July 2011 to February 2014 (₹ 0.01 for the month of March 13) on Funded Interest Term Loan. The Company has made funds available before the due date of payment of interest in the current account with the concerned bank. However, the same is not appropriated by the said bank against the interest liability.

2.9 SHORT TERM PROVISIONS

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits		
i) Gratuity	**0.02**	2.33
ii) Leave Encashment	**0.33**	0.21
Provision for Fringe Benefit Tax (Net of Payment)	**Nil**	0.05
Total	**0.35**	2.59

2.10 FIXED ASSETS

₹ in Crores

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2013	For the period additions	Sale/ Adjustment	**As at March 31, 2014**	As at April 1, 2013	For the period additions	Sale/ Adjustment	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
Tangible Assets										
Land – Freehold	0.23	Nil	Nil	**0.23**	Nil	Nil	Nil	**Nil**	**0.23**	0.23
Leasehold	Nil	3.14	Nil	**3.14**	Nil	0.04	Nil	**0.04**	**3.10**	Nil
Buildings (Including Leashold)	90.01	0.14	Nil	**90.15**	11.36	1.54	Nil	**12.90**	**77.25**	78.65
Plant and Equipments	438.99	19.57	(8.29)	**450.27**	168.96	76.35	(0.15)	**245.16**	**205.11**	270.03
Furniture and Fixtures	19.01	0.26	(0.01)	**19.26**	12.55	1.56	(0.01)	**14.10**	**5.16**	6.46
Office Equipments	13.14	0.18	(0.01)	**13.31**	8.92	1.03	Nil	**9.95**	**3.36**	4.22
Computers	17.10	0.19	(0.09)	**17.20**	15.12	1.42	(0.07)	**16.47**	**0.73**	1.98
Networking Assets	314.26	Nil	Nil	**314.26**	234.13	14.76	Nil	**248.89**	**65.37**	80.13
Test and Repair Equipments	22.67	6.50	(0.01)	**29.16**	17.89	2.73	(0.01)	**20.61**	**8.55**	4.78
Vehicles	0.97	Nil	Nil	**0.97**	0.86	0.03	Nil	**0.89**	**0.08**	0.11
TOTAL	916.38	29.98	(8.41)	**937.95**	469.79	99.46	(0.24)	**569.01**	**368.94**	446.59
Intangible Assets										
Networking Software	41.72	0.24	Nil	**41.96**	36.55	1.32	Nil	**37.87**	**4.09**	5.17
Other than Networking Software	72.75	Nil	Nil	**72.75**	54.28	10.17	Nil	**64.45**	**8.30**	18.47
TOTAL	114.47	0.24	Nil	**114.71**	90.83	11.49	Nil	**102.32**	**12.39**	23.64
Capital work–in–progress	19.36	26.77	(23.19)	**22.95**	Nil	Nil	Nil	**Nil**	**22.95**	19.36
TOTAL	1,050.21	56.99	(31.60)	**1,075.61**	560.62	110.95	(0.24)	**671.33**	**404.28**	489.59
PREVIOUS YEAR	1,047.81	101.33	98.91	**1,050.21**	406.43	157.24	(3.03)	**560.62**	**489.59**	641.38

1. Gross block of building includes subscription towards share capital of co–operative societies amounting to ₹ 2,750/– (Previous Year ₹ 2,750/–) and leased buildings amounting to ₹ 90.06 Cr. (Previous Year ₹ 89.92 Cr.).
2. Intangible assets includes internally generated software of ₹ 7.27 Cr. (Previous Year ₹ 7.27 Cr.)
3. "Sale & Adjustment column" pertaining to Plant & Machinery represents adjustment on account of Capital Subsidy of ₹ 7.63 Cr. (Previous Year ₹ 11.39 Cr.) received during the year. Consequent up on adjustment depreciation of ₹ 1.64 Cr. (Previous Year ₹ 0.58 Cr.) has been written back.
4. In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the year carried out an exercise of identifying assets that many have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the period ended March 31, 2014.

2.11 Non–Current Investment

₹ in Crores

Particulars	Numbers	As at March 31, 2014	As at March 31, 2013
Trade			
Quoted			
Equity Shares of			
Asssociates			
GTL Infrastrucure Ltd. (Face Value of ₹ 10/– each fully paid up)	345,763,466 (170,226,673)	**591.55**	291.23
Total of Quoted Investments in Equity Shares – Trade	**(A)**	**591.55**	291.23
Un – quoted			
Equity Shares of			
Subsidiaries			
International Global Tele–Systems Ltd. (Face Value of US$ 1/– each fully paid up)	2,762,615 (2,762,615)	**9.59**	9.59
GTL International Ltd (Face Value of US$ 1/– each fully paid up)	3,000,000 (3,000,000)	**11.96**	11.96
Ada Cellworks Wireless Engineering Pvt. Ltd. (Face Value of ₹ 10/– each fully paid up)	90,000 (90,000)	**13.46**	13.46
		35.01	35.01
Asssociates			
Global Rural Netco Ltd. (Face Value of ₹ 10/– each fully paid up)	75,000,000 (75,000,000)	**75.00**	75.00
Chennai Network Infrastructure Ltd. (Face Value of ₹ 10/– each fully paid up)	1,700,742,399 (1,700,742,399)	**1,637.48**	1,637.48
		1,712.48	1,712.48
Others			
European Projects and Aviation Ltd. (Face Value of ₹ 10/– each fully paid up)	12,350,000 (12,350,000)	**53.81**	53.81
		53.81	53.81
Total of Un–quoted Investments in Equity Shares – Trade	**(B)**	**1,801.30**	1,801.30
Preference Shares of			
Subsidiaries			
3. 5 % Preference Shares of GTL International Ltd. (Face Value of US$ 1/– each fully paid up)	5,000,000 (5,000,000)	**29.96**	27.18
3. 5 % Preference Shares of International Global Tele–Systems Ltd. (Face Value of US$ 1/– each fully paid up)	69,000,000 (69,000,000)	**413.45**	375.02
		443.41	402.20

₹ in Crores

Particulars	Numbers	As at March 31, 2014	As at March 31, 2013
Asssociates			
6% Cumulative Redeemable Preference Shares of Global Rural Netco Ltd. (Face Value of ₹ 100/– each fully paid up)	20,000,000 (Nil)	**200.00**	Nil
		200.00	Nil
Others			
0.1% Cumilative Preference Shares of Global Proserv Ltd (Face Value of ₹ 100/– each fully paid up)	13,000,000 (13,000,000)	**130.00**	130.00
0.1% Optionally convertible Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each fully paid up)	13,000,000 (13,000,000)	**13.00**	13.00
0.02% 13 Years optionally convertible Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each fully paid up)	44,690,000 (Nil)	**44.69**	Nil
0.02% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each fully paid up)	5,560,000 (Nil)	**5.56**	Nil
0.1% 13 Years optionally convertible Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each fully paid up)	44,246,900 (Nil)	**241.48**	Nil
		434.73	143.00
Total of Un–quoted Investments in Preference Shares – Trade	**(C)**	**1,078.14**	545.20
Debentures of :			
Asssociates			
11% Fully Convertible Debenture Series – A of Global Rural Netco Ltd. (Face Value of ₹ 100/– each fully paid up)	15,000,000 (Nil)	**150.00**	Nil
Total of Un–quoted Investments in Debentures – Trade	**(D)**	**150.00**	Nil
Total of Un–quoted Investments – Trade	**E = (B + C + D)**	**3,029.44**	2,346.50
Total of Investments – Trade	**F = (A + E)**	**3,620.98**	2,637.73
Other Invesments – Non Trade			
Un – quoted			
Equity Shares of Others			
Brickworks ratings India Pvt Ltd. (Face Value of ₹ 10/– each fully paid up)	320,000 (320,000)	**2.00**	2.00
Alpha Impex International Ltd. (Face Value of US$ 1/– each fully paid up)	Nil (5,000)	**Nil**	0.02
The Shamrao Vithal Co–operative Bank Ltd. (Face Value of ₹ 25/– each fully paid up)	Nil (25)	**Nil**	0.00
Total of Un – quoted Investments in Equity – Others	**(G)**	**2.00**	2.02
Total Investments	**H = (F + G)**	**3,622.98**	2,639.75

2.11.1 For basis of Valuation Refer Point No. 7 of Note No. 1 "Significant Accounting Policy"

2.11.2 Details of aggregate amount of Quoted Investment, Market value thereof and aggregate amount of Unquoted Investment:

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Aggregate amount of Quoted Investments	**591.55**	291.23
Market Value of Quoted Investments	**50.14**	45.11
Aggregate amount of Unquoted Investments	**3,031.43**	2,348.52

2.11.3 Pursuant to settlement arrived during the year between Chennai Network Infrastructure Limited (CNIL), IFCI Ltd (IFCI) and the Company, IFCI has returned to the Company equity shares of GTL Infrastructure Ltd (GIL) which were appropriated by IFCI in the past for their financial assistance to CNIL and resultantly, the Company's investment in GIL as at March 31, 2014 has increased.

2.11.4 Pursuant to settlement arrived during the year with the suppliers for advances and the Company, the Company has accepted from its suppliers Redeemable preference shares of ₹ 200.00 Cr. and Fully Convertionble Debenture of ₹ 150.00 Cr. of Globle Rural Netco Limited and Optionally convertible preference shares of ₹ 241.48 Cr. of European Projects and Aviation Limited.

2.11.5 The Company holds investment in both quoted / unquoted equity and preference shares. In respect of Company's investment in unquoted shares excluding investment in subsidiaries, the book value of these investments, as ascertained from the latest available audited / unaudited financials of the investee companies, is much lower than carrying cost of these investments. Similarly, the market value of Company's quoted investment is much below the carrying cost of such investment.

However, in the opinion of the Management, having regard to the long–term nature of these investments and future business plans of the investee companies, the diminution in the value of investments does not require provision as such diminution is not other than temporary.

2.12 LONG TERM LOANS AND ADVANCES (Unsecured and considered good)

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Advances to Suppliers (Refer Note No. 2.12.1)	**987.75**	1,436.79
Advances to Subsidiaries (Refer Note No. 2.12.2)	**259.79**	244.68
Capital Advances	**0.44**	120.05
Other Advances	**217.79**	234.90
Security Deposits	**7.66**	5.07
Advance Income Tax & Tax Deducted at source (Net of provision)	**1.96**	61.68
Total	**1,475.39**	2,103.17

2.12.1 The Company had paid advances for procurement of material to execute large telecom projects such as BSNL Mega Tender, Aircel and other telecom projects. In view of discontinuation of these projects, the corresponding purchases have not taken place and hence the advances paid for supplies for these materials are not getting adjusted. The Company therefore has entered into agreement with the suppliers for recovery of the said advances. Accordingly during the year, the Company has made part recovery of the said advances and also acquired from the suppliers investment in other companies. The balance advances will be realised by the Company as per the agreed terms.

2.12.2 In view of telecom slowdown and lower business growth internationally, the operating margins and cash flow of Company's subsidiaries have witnessed pressure. Therefore, during the year Company and its subsidiaries have mutually agreed on repayment terms of these advances and in accordance therewith these advances are considered as long term. The corresponding amount of the previous year has also been reclassified and presented accordingly.

2.13 CURRENT INVESTMENTS

₹ in Crores

Particulars	Number of units	As at March 31, 2014	As at March 31, 2013
Un–quoted			
Mutual Funds of			
ICICI Prudential Liquid Plan – Direct Growth	882,684 (Nil)	**16.60**	Nil
LIC Nomura Liquid Fund – Growth Plan	123,777 (Nil)	**28.41**	Nil
Total		**45.01**	Nil

2.13.1 For basis of Valuation – Refer Point No. 7 of Note No. 1 "Significant Accounting Policies."

2.13.2 Details of aggregate amount of Quoted Investment, Market value thereof and aggregate amount of Unquoted Investment:

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Aggregate amount of quoted investments	**Nil**	Nil
Market Value of quoted investments	**Nil**	Nil
Aggregate amount of unquoted investments	**45.01**	Nil

2.14 INVENTORIES

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Stock–in–trade held for trading	**0.38**	272.02
Work in Progress	**Nil**	17.46
Stores and Spares	**0.77**	1.20
Consumables	**7.55**	7.71
Total	**8.70**	298.39

2.14.1 For basis of valuation – Refer Point No. 8 of Note No. 1 "Significant Accounting Policies."

2.15 TRADE RECEIVABLES (Unsecured)

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Trade receivbles outstanding for a period exceeding six months (From the due date of the payment)		
Considered good	**253.70**	642.10
Considered doubtful	**13.66**	12.44
Less: Allowance for Doubtful Trade Receivables	**(13.66)**	(12.44)
Subtotal	**253.70**	642.10
Other Trade Receivables		
Considered good	**212.43**	184.33
Total	**466.13**	826.43

2.15.1 The Company has sought the balance confirmations from the customers and has received such confirmations from some customers. In respect of remaining customers, balances are subject to confirmation and thereby appropriate adjustment, if necessary, will be considered in the year of reconciliation.

2.16 CASH AND BANK BALANCES

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
1) Cash & Cash Equivalents		
a) Balance with Banks	**124.61**	54.13
b) Cash on Hand	**0.11**	0.10
c) Cheques in Hand (Since Realised)	**0.01**	20.33
2) Earmarked Balances with Bank	**0.70**	1.37
3) Balances with Bank held as margin money*	**36.89**	33.31
Total	**162.32**	109.24

*Includes ₹ 0.95 Cr. (₹ 0.56 Cr.) having maturity after 12 months.

2.17 SHORT TERM LOANS and ADVANCES (Unsecured, Considered good unless otherwise stated)

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Loans and Advances to Associates	**Nil**	3.38
Deposits	**5.90**	36.92
Less: Provision for doubtful deposits	**(0.44)**	(0.41)
Deposits considered good	**5.46**	36.51
Income Tax refund receivable (Refer Note No. 2.26.1)	**42.27**	Nil
Prepaid Expenses	**4.93**	8.21
Input Tax Recoverable	**19.88**	17.99
Advance to Suppliers (Refer Note No. 2.12.1)	**206.20**	197.62
Less: Provision for doubtful Advance to Suppliers	**(0.05)**	(0.28)
Advance to Suppliers considered good	**206.15**	197.34
Interest receivable	**26.54**	26.79
Loans and Advances to employees	**0.98**	2.09
Less: Provision for doubtful Loans and Advances to employees	**(0.74)**	(0.73)
Loans & Advances to employees considered good	**0.23**	1.36
Others	**8.17**	6.79
Total	**313.63**	298.37

2.18 OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Unbilled Revenue	**164.50**	114.71
Receivable towards reimbursable cost / expense	**11.62**	32.17
Receivable towards Invocation of Investment	**Nil**	250.19
Compensation towards Invocation of Investment	**Nil**	50.46
Others	**1.76**	50.43
Total	**177.88**	497.96

2.19 REVENUE FROM OPERATIONS

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Sale of Products :		
Telecom Products	**37.59**	Nil
Power Management	**10.71**	20.37
Sale of Services :		
Telecom Services	**105.95**	111.19
Power Management	**20.55**	18.53
Revenue from Turnkey Projects :		
Telecom Projects	**52.80**	7.33
Revenue from Power Distribution Business	**1,014.88**	984.65
Revenue from Energy Management Business	**1,022.60**	1,029.50
Other Operating Revenues	**0.04**	0.01
Total	**2,265.11**	2,171.58

2.20 OTHER INCOME

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Interest Income :		
from Bank Deposits	**2.80**	2.27
from Others	**11.15**	0.25
Dividend on Non Trade Investments	**0.01**	0.01
Profit on sale of Current Investments (Net)	**20.60**	1.89
Gain on Foreign Currency Transactions (Net)	**18.77**	30.24
Profit on sale of Fixed Assets (Net)	**Nil**	0.19
Lease and Rent Income	**2.65**	2.70
Other Non–Operating Income*	**17.13**	2.05
Total	**73.11**	39.60

* Other Non–Operating Income includes Balances written back of ₹ 15.78 Cr. (Nil)

2.21 COST OF PURCHASES / SERVICES

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Purchase of Stock in Trade :		
Telecom Products	**31.13**	Nil
Power Management	**5.64**	20.84
Total of Purchase of Stock in Trade	**36.77**	20.84
Purchase of Material (Other than for trade) and Services :		
Energy Input Cost – (Franchisee Business)	**1,002.05**	934.30
Electricity, Diesel cost for Energy Management	**769.06**	780.33
Turnkey Projects	**55.69**	3.42
Sub–Contractor Charges	**24.28**	43.53
Vehicle Hire Charges – Projects	**4.03**	4.32
Hire Charges – Network Equipment	**Nil**	0.20
Total of Purchase of Material (Other than for trade) and Services	**1,855.11**	1766.10
Total	**1,891.88**	1,786.94

2.22 Changes in inventories of finished goods, work–in–progress and Stock–in–trade

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Decrease / (Increase) in Inventory		
Work in Progress	**17.46**	0.27
Stock in trade*	**(19.28)**	12.45
Spares and Consumables	**0.93**	0.09
Total	**(0.89)**	12.81

*Net of purchase return

2.23 EMPLOYEE BENEFIT EXPENSES

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Salaries	**65.12**	66.24
Contribution to Provident and Other Funds	**4.79**	5.68
Staff Welfare Expenses	**3.85**	3.30
Employee Compensation Expense under ESOP	**Nil**	(1.20)
Outsourced Manpower Cost	**84.57**	77.16
Total	**158.33**	151.18

2.23.1 Disclosure of Employee Benefits as defined in Accounting Standard 15 "Employee Benefit":

a) Defined Contribution Plan

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Employer's Contribution to Provident fund	**2.75**	2.64
Employer's Contribution to Pension fund	**0.61**	0.58
Total	**3.36**	3.22

b) Defined Benefit Plan

The employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognized in same manner as gratuity.

i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

₹ in Crores

Particulars		Gratuity (Funded)		Compensated Absences (Unfunded)	
		As at March 31, 2014	As at March 31, 2013	**As at March 31, 2014**	As at March 31, 2013
Defined Benefit Obligation at beginning of the period	(A)	**6.64**	6.77	**1.93**	2.59
Current/past Service Cost	(B)	**0.75**	1.12	**0.35**	0.74
Current Interest Cost	(C)	**0.54**	0.59	**0.16**	0.23
Actuarial (gain) / loss	(D)	**(0.58)**	0.04	**0.28**	(0.01)
Less : Benefits paid	(E)	**0.83**	1.88	**0.73**	1.62
Defined Benefit Obligation at end of the period (A+B+C+D–E)		**6.52**	6.64	**1.99**	1.93

ii) Reconciliation of opening and closing balances of fair value of the plan assets

₹ in Crores

Particul ars		Gratuity (Funded)	
		As at March 31, 2014	As at March 31, 2013
Fair Value of Plan asset at beginning of period	(A)	**3.96**	2.05
Expected Return on Plan Assets	(B)	**0.35**	0.18
Actuarial gain/ (loss)	(C)	**0.07**	0.06
Contributions	(D)	**2.96**	3.75
Less : Benefits paid	(E)	**0.83**	1.88
Less: Transfer Adjustment (Net)	(F)	**0.00**	0.20
Fair Value of Plan asset at the end of period (A+B+C+D–E–F)		**6.51**	3.96

iii) Reconciliation of present value of obligations and fair value of plan assets

₹ in Crores

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	As at March 31, 2014	As at March 31, 2013	**As at March 31, 2014**	As at March 31, 2013
Fair Value of Plan asset at the end of Year	**6.51**	3.96	**Nil**	Nil
Present value of Defined Benefit Obligation at end of the Year	**6.52**	6.63	**1.99**	1.93
Liability/ (Asset) recognized in the Balance Sheet	**0.01**	2.67	**1.99**	1.93

iv) Expense recognized during the year

₹ in Crores

Particulars		Gratuity (Funded)		Compensated Absences (Unfunded)	
		For the Year ended March 31, 2014	For the Year ended March 31, 2013	**For the Year ended March 31, 2014**	For the Year ended March 31, 2013
Current Service Cost	(A)	**0.75**	1.12	**0.35**	0.74
Interest Cost	(B)	**0.55**	0.59	**0.16**	0.23
Expected Return on plan Assets	(C)	**(0.35)**	(0.18)	**Nil**	Nil
Actuarial (gain)/ loss	(D)	**(0.64)**	(0.04)	**0.28**	(0.01)
Net Cost recognised in Profit and Loss Account (A+B+C+D)		**0.30**	1.49	**0.79**	0.96

v) Amounts for current and previous four years are as follows:

₹ in Crores

Gratuity (Funded)	2013–14	2012–13	2011–12	2010–11	2009–10
Defined Benefit Obligation	**6.53**	6.64	6.77	6.23	6.10
Plan Assets	**6.51**	3.96	2.05	1.60	1.34
Surplus / (Deficit)	**(0.02)**	(2.68)	(4.72)	(4.62)	(4.76)
Experience adjustments on plan assets	**0.07**	0.06	(0.34)	(0.03)	0.00
Experience adjustments on plan liabilities	**0.10**	(0.41)	1.09	(0.10)	0.52

vi) Amounts for current and previous four years are as follows:

₹ in Crores

Compensated Absences (Unfunded)	2013–14	2012–13	2011–12	2010–11	2009–10
Defined Benefit Obligations	**1.99**	1.93	2.59	2.62	6.10
Plan Assets	**Nil**	Nil	Nil	Nil	Nil
Surplus / (Deficit)	**(1.99)**	(1.93)	(2.59)	(2.62)	(6.10)
Experience Adjustment on Plan Assets (Gain) / Loss	**Nil**	Nil	Nil	Nil	Nil
Experience Adjustment on Plan Liabilities (Gain) / Loss	**0.47**	(0.01)	1.14	(2.89)	0.33

vii) Assumptions used to determine defined benefit obligation

₹ in Crores

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	As at March 31, 2014	As at March 31, 2013	**As at March 31, 2014**	As at March 31, 2013
Discount Rate (p.a.)	**9.31%**	8.25%	**9.31%**	8.25%
Estimated rate of return on plan assets (p.a.)	**9.31%**	8.70%	**Nil**	Nil
Expected rate of increase in salary (p.a.)	**5.50%**	5.50%	**5.50%**	5.50%

Mortality rate is as per Indian Assured Lives Mortality (2006–08) Ultimate table.

The expected rate of increase in salary for actuarial valuation is based on consideration of inflation, seniority, promotion, attrition and other relevant factors including supply and demand in the employment market. The above information is as per the certificate obtained from Actuary.

2.24 FINANCE COSTS

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Interest on Borrowings	**479.03**	466.99
Other Borrowing costs	**19.98**	30.52
Exchange difference to the extent considered as an adjustment to Borrowing Cost	**40.62**	43.41
Total	**539.63**	540.92

2.25 OTHER EXPENSES

₹ in Crores

Particulars		For the Year ended March 31, 2014	For the Year ended March 31, 2013
Consumption of Stores and Spares (Refer Note No. 2.25.1)		**1.11**	0.52
Communication Expenses		**1.76**	1.41
Advertisement Expenses		**0.20**	0.39
Business Promotion Expenses		**0.78**	0.27
Discounts and Commission		**6.72**	11.31
Freight Charges		**0.01**	0.05
Rates and Taxes (including Wealth tax)		**0.83**	1.41
Rent		**4.17**	5.39
Electricity Charges		**2.28**	2.82
Insurance		**1.16**	1.36
Legal and Professional Fees		**8.01**	4.61
Travelling and Conveyance Expenses		**7.07**	5.29
Director's Sitting Fees		**0.04**	0.06
Auditor's Remuneration (Refer note no.2.25.2)		**0.41**	0.41
Repairs and Maintenance–Buildings		**0.03**	0.06
Repairs and Maintenance – Plant and Machinery		**1.14**	1.32
Repairs and Maintenance – Others		**3.59**	5.81
Bad Debts Written off	25.84		2.01
Provision Written back	(3.31)		(2.01)
		22.53	Nil
Provision for Doubtful Trade Receivables		**4.53**	9.02
Provision for Doubtful Receivables – Others (Net)		**0.41**	Nil
Loss on sale of Fixed Assets (Net)		**0.01**	Nil
Other Expenses (Net)		**16.12**	31.66
Total		**82.91**	83.17

2.25.1 Details of Consumption of Stores and Spares

Particulars	For the Year ended March 31, 2014		For the Year ended March 31, 2013	
	₹ in Crores	**%**	₹ in Crores	%
Indigenous Goods	**1.11**	**100%**	0.52	100%
Imported Goods	**Nil**	**Nil**	Nil	Nil

2.25.2 Auditor's Remuneration:

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Statutory Audit Fees	**0.30**	0.30
Tax Audit Fees	**0.06**	0.06
Vat Audit Fees	**0.03**	0.03
Other Matters	**0.01**	0.01
Out Of Pocket Expenses	**0.01**	0.01
Total*	**0.41**	0.41

*The above amounts are excluding Service Tax.

2.26 TAX EXPENSE

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Income Tax	**Nil**	Nil
Less: MAT Credit entitlement	**Nil**	Nil
Net Current Income Tax	**Nil**	Nil
Short Provision for Income tax for earlier years (Net)	**25.18**	0.37
Deferred taxes	**Nil**	Nil
Total	**25.18**	0.37

2.26.1 Provision of Income tax includes tax liability of ₹ 25.57 Cr. towards tax liability determined for Assessment Years 2005–06 to 2012–13 upon conclusion of proceedings before Appropriate Statutory Authority and the Company also to receive balance tax refund of ₹ 44.14 Cr. (inclusive of interest).

2.27 DEFERRED TAXES ASSETS (NET) – COMPOSITION

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Relating to		
a) Fixed Assets	**31.87**	36.98
b) Expenses where deduction is available on payment basis	**(72.46)**	(59.12)
c) Unabsorbed Depreciation	**(118.22)**	(97.30)
Total Net	**(158.81)**	(119.44)

2.27.1 The Company has a Deferred Tax Asset of ₹ 158.81Cr. as on March 31, 2014 (₹ 119.44 Cr. as on March 31, 2013). In the absence of reasonable certainty of sufficient future taxable income against which Deferred Tax Asset can be realized, the same is not recognised in accordance with AS 22 on Accounting for Taxes on Income issued by ICAI.

2.28 CONTINGENT LIABILITIES & COMMITMENTS:

2.28.1 Contingent Liabilities

₹ in Crores

Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
i	Claims against the Company not acknowledged as debts*	**189.56**	278.54
ii	Guarantees given by Banks on behalf of the Company	**211.86**	169.09
iii	Performance Guarantees issued to banks on behalf of Subsidiaries / Associates and Affiliates	**5.00**	5.00
iv	Corporate Guarantees given by the Company for loans taken by subsidiaries / others	**594.79**	580.77
v	Disputed Sales tax liabilities for which appeals are pending (Amount deposited ₹ 0.57 Cr. (₹ 3.12 Cr.)	**10.28**	9.08
vi	Disputed Income tax liabilities for which appeals are pending (Amount deposited ₹ Nil (₹ 0.40 Cr.)	**Nil**	0.76
vii	Premium on Redemption of 0.01% Non–Participative Optionally Convertible Cumulative Preference Share (Refer Note No. 2.28.2)	**Nil**	25.93
viii	Dividend on 0.01% Non–Participative Optionally Convertible Cumulative Preference Share	**0.10**	0.03

No cash out flow is expected in near future in respect of above items

*includes claim of ₹ 179.00 Cr. (₹ 179.00 Cr.) of Global Holding Corporation Pvt. Ltd. an Associate.

2.28.2 During the year, as agreed by the Non–Participative Optionally Convertible Cumulative Preference Share (OCPS) holder, the original term providing Yield To Maturity of 8% by way of redemption premium has been repealed. In view of this, OCPS holder is now not entitled for redemption premium retrospectively from date of issue of OCPS.

2.28.3 Commitments

2.28.3.1 Estimated amount of contracts remaining to be executed

₹ in Crores

Particulars	**As at March 31, 2014**	As at March 31, 2013
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.)	**7.86**	39.58

2.28.3.2 Other Commitments

a) GTL Infrastructure Ltd (GIL) is an associate of the Company. The Company's equity shareholding in GIL, as at Balance Sheet date is 14.99% (7.38%). As a promoter of GIL, the Company has furnished following undertakings in respect of credit facilities of ₹ 2,829.00 Cr. (₹ 2,829.00 Cr.) and Foreign Currency loan of US$ 175 Mn. (US$ 175 Mn.) then sanctioned by various lending institutions for GIL's second phase project of setting up of telecom sites.

i) The Company along with Global Holding Corporation Private Limited (GHC) an associate shall not reduce the shareholding in GIL below 26%. The Company shall retain the management control of GIL.

ii) The Company shall bring or arrange Equity/ Preference Capital as envisaged by Phase II lenders.

iii) In case of cost overrun or shortfall, the Company shall bring and / or arrange additional capital within a period of 90 days from written demand by Creditor's Agent either in form of Equity or preference or subordinated loans.

iv) The Company shall ensure that GIL will not abandon the Project during the currency of Phase II loans.

v) The Company shall ensure that GIL is provided with requisite technical, financial and managerial expertise to perform / discharge its obligation under the project.

b) The Company's equity shareholding in European Projects and Aviation Limited (EPAL) (Formerly known as Global Projects and Aviation Private Limited (GPAL)) as at Balance Sheet date is 19% (19%). EPAL has been sanctioned Working capital line of credit of ₹ 500.00 Cr. (₹ 500.00 Cr.). The Company has furnished various undertakings for the above referred line of credit which *inter alia* provide as under:

i) The Company along with its associate Global Holding Corporation Private Limited (GHC) shall not reduce the shareholding in EPAL below 51%. The Company shall retain the management control of EPAL during the tenor of credit facilities.

ii) The Company along with its associate GHC shall ensure conversion of Redeemable Preference Shares issued by EPAL in to Equity Shares or compulsorily convertible instrument or shall ensure that the same shall be redeemed out of infusion of fresh equity or compulsorily convertible instrument by the Sponsors.

iii) The Company shall contribute towards the shortfall in the funds required by EPAL to complete the projects as defined in terms and conditions of credit facilities.

c) Global Rural Netco Limited (GRNL) is an associate of the Company. The Company's equity shareholding in GRNL as at March 31, 2014 is 42.86% (42.86%). GRNL had issued Fully Convertible Debentures of ₹ 250.00 Cr. to IFCI Limited on June 10, 2010. For securing the said loan, the Company and Global Holding Corporation Private Limited (GHC) had executed security documents *inter–alia* Indemnity Undertaking thereby agreeing to purchase the FCDs from IFCI in terms of the Subscription Agreement.

Subsequently, in terms of the settlement between GRNL and IFCI on August 03, 2012, GRNLs loan of ₹ 250.00 Cr. reduced to Optionally Convertible Loan of ₹ 100.00 Cr. and in case the loan has not been repaid / prepaid / converted into equity shares of GRNL on or before March 31, 2015, IFCI has Put option and the Company has to purchase the said loan from IFCI.

i. Upon failure of GRNL to repay the OCL on or prior to March 31, 2015, IFCI shall be entitled to, at any time thereafter, exercise the Put Option by a written notice ("Put Notice") to GTL and require GTL to purchase the OCL outstanding as of the date of exercise of the Put Option by IFCI.

ii. GTL shall, within a period of 30 (Thirty) Business days, subject to all requisite approvals and permissions, as may be required by GTL for such purchase, from the date of receipt of the Put Notice from IFCI, purchase Put Option OCL for such sum so as to provide IFCI a YTM of 13.50% on the Put Option OCL, calculated from April 1, 2012 up to the date of payment by GTL ("Put Option Purchase Price"). However, in case IFCI does not exercise Put option on or before April 30, 2015, then, subject to the provisions herein being followed, GTL shall purchase the Put Option OCL for such sum so as to provide IFCI a YTM of 13.50% on Put Option OCL from April 1, 2012 to March 31, 2015 only.

d) Chennai Network Infrastructure Limited (CNIL) is an associate of the Company. The Company's equity shareholding as at March 31, 2014 is 25.79% (27.02%). As sponsors to CNIL, the Company along with its associates Global Holding Corporation Private Limited and GTL Infrastructure Limited have agreed to hold and maintain at least 26% and to further contribute in the form of equity in future, if required to meet needs of CNIL and to replenish Debt Service Account Letter of Credit (DSRA LC), in the event DSRA LC is invoked by the lenders.

e) The CDR lenders of the Company have right to re–compense in respect of relief extended and sacrifices made by them of ₹ 555.87 Cr. as per Master Restructuring Agreement (MRA). Such right is exercisable by CDR lenders based on criteria's / conditions as details in MRA.

2.29 SEGMENT REPORTING

Reporting as per Accounting Standard 17 based on consolidated Financial Statements is forming part Consolidated Financial Statement.

2.30 RELATED PARTY DISCLOSURES

A Related Parties

I Subsidiaries

a. International Global Tele Systems Ltd.

b. GTL International Ltd.

c. Ada Cellworks Wireless Engineering Pvt. Ltd.

II Fellow Subsidiaries (Subsidiaries of GTL International Ltd.)

a. GTL (Singapore) Pte Ltd.

b. GTL Saudi Arabia Company Limited.

c. GTL Overseas Middle East FZ LLC.

d. GTL International Nigeria Limited.

e. Pt. GTL Indonesia Limited.

f. GTL Europe Limited.

g. GTL Telecommunications Ireland Limited.

h. GTL Network Services Malaysia Sdn Bhd.

i. IGTL Network Services Philippines Inc.

j. GTL China Corporation Ltd.

k. GTL Taiwan Co. Ltd.

l. GTL USA Inc.

m. GTL International Lanka (Private) Limited.

n. GTL International Bangladesh Pvt. Ltd.

o. GTL Kenya Limited.

p. GTL Tanzania Limited.

q. GTL Canada Inc.

r. GTL Nepal Limited.

s. GTL Network Services SA Pty Limited.

III Associates

a. GTL Infrastructure Limited

b. Global Rural Netco Pvt. Ltd.

c. Chennai Network Infrastructure Ltd.

d. Global Holding Corporation Private Limited

IV Key Managerial Personnel

a. Mr. Manoj Tirodkar, Chairman and Managing Director

b. Mr. Sukanta Kumar Roy, Whole–time Director and COO (up to July 26, 2013)

c. Mr. Arun Prabhu Khanolkar, Whole–time Director (effective from August 1, 2013)

d. Mr. Vidyadhar Apte, Company Secretary

e. Mr. Milind Bapat, Chief Financial Officer

B. TRANSACTIONS WITH RELATED PARTY

₹ in Crores

Particulars	Subsidiary Companies		Fellow Subsidiaries		Associates Companies		Key Managerial Personnel	
	For the Year ended March 31, 2014	For the Year period ended March 31, 2013	**For the Year ended March 31, 2014**	For the Year period ended March 31, 2013	**For the Year ended March 31, 2014**	For the Year period ended March 31, 2013	**For the Year ended March 31, 2014**	For the Year period ended March 31, 2013
Sales & Services	**Nil**	0.26	**3.59**	1.56	**616.18**	519.37	**Nil**	Nil
Reimbursement Expenses from	**0.08**	0.00	**0.78**	0.31	**72.90**	77.04	**Nil**	Nil
Interest Income	**Nil**	Nil	**Nil**	Nil	**5.92**	Nil	**Nil**	Nil
Rent Received	**Nil**	Nil	**Nil**	Nil	**2.59**	2.61	**Nil**	Nil
Purchases	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil
Purchase of Fixed Assets	**Nil**	Nil	**Nil**	Nil	**6.50**	Nil	**Nil**	Nil
Sales of Fixed Assets	**Nil**	Nil	**Nil**	Nil	**0.41**	Nil	**Nil**	Nil
Reimbursement Expenses to	**Nil**	0.00	**0.03**	0.01	**375.77**	347.74	**Nil**	Nil
Preference Shares – Allotment	**Nil**	Nil	**Nil**	Nil	**Nil**	650.00	**Nil**	Nil
Investment in Equity Shares	**Nil**	Nil	**Nil**	Nil	**Nil**	569.36	**Nil**	Nil
Investment In Preference	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil
Investment In FCD	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil
Bank claim paid by the Company	**Nil**	11.31	**Nil**	7.61	**Nil**	Nil	**Nil**	Nil
Salaries and Allowances	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**2.62**	1.94
Contribution to Providend and Other Funds	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**0.09**	0.06
Other Expenses	**Nil**	Nil	**Nil**	Nil	**Nil**	3.65	**0.29**	0.17
Equity Shares allotted*	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	18.36
Outstanding as at	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013
Deposit Received	**Nil**	Nil	**Nil**	Nil	**2.16**	2.16	**Nil**	Nil
Corporate Guarantees given	**149.88**	137.50	**19.92**	18.27	**Nil**	Nil	**Nil**	Nil
Receivables	**14.46**	17.11	**9.39**	8.29	**48.31**	18.59	**Nil**	Nil
Receivables towards Reimbursable cost / expense	**4.49**	Nil	**2.73**	Nil	**8.48**	303.36	**Nil**	Nil
Receivable towards Bank claim paid by the Company	**258.20**	234.35	**11.39**	10.33	**Nil**	Nil	**Nil**	Nil
Advances /Deposits	**Nil**	Nil	**Nil**	Nil	**Nil**	3.38	**Nil**	Nil
Payables (incl. Advance received)	**4.60**	4.17	**1.57**	1.01	**3.79**	34.03	**0.02**	0.02
ESOP Outstanding (in Numbers)	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil

*Since Divident in current & previous year is Nil hence not shown in above statement.

2.31 VALUE OF IMPORT OF MATERIAL ON C.I.F. BASIS

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Capital Goods	**0.67**	0.44
Trading Goods	**0.02**	0.05
Total	**0.69**	0.49

2.32 ACTIVITY IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

₹ in Crores

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Earnings in Foreign Currency		
i) Sales and Services	**1.89**	1.56
Total	**1.89**	1.56
Expenditure in Foreign Currency		
i) Interest on borrowings	**35.27**	32.70
ii) Equipment hire Charges	**Nil**	0.21
iii) Travelling Expenses	**0.09**	0.02
iv) Subscription and Membership Fees	**Nil**	0.01
v) Repairs & Maintenance	**Nil**	0.01
vi) Professional & Consultancy Charges	**8.28**	0.41
Total	**43.64**	33.36

2.33 Operating Leases

The Company's lease agreements are in respect of operating lease for office premises, guesthouse, warehouses, and vehicles. These lease arrangements are cancellable by either parties there to as per the terms and condition of the agreements. The lease rental recognized in the Statement of Profit and Loss during the year under the heading 'Rent' in 'Other Expenses' is ₹ 4.17 Cr. (₹ 5.39 Cr.). The lease obligations due within next five–years are ₹ 14.87 Cr.. (₹ 12.88 Cr.).

2.34 DISCLOSURE OF INFORMATION AS REQUIRED BY CLAUSE 32 OF LISTING AGREEMENT

a) Details of Loans or Advances in the nature of loans given to wholly owned Subsidiaries and step–down Subsidiaries.

₹ in Crores

Name of the Company	Relationship	Outstanding As at March 31,		Maximum balance during the year	
		2014	2013	**2014**	2013
GTL International Bangladesh Pvt. Ltd.	100% subsidiary of GTL Europe Limited	**3.00**	10.33	**11.39**	10.33
GTL International Limited	100% subsidiary of GTL Limited	**52.05**	48.50	**52.05**	48.50
International Global Tele–Systems Limited	100% subsidiary of GTL Limited	**204.75**	185.85	**204.75**	185.85

b) None of the Subsidiaries to whom advances are given per se, have investment in the shares of the Company.

2.35 Earnings per share

₹ in Crores (other than No. of Shares & EPS)

Particulars		Year ended March 31, 2014	Year ended March 31, 2013
BASIC EARNINGS PER SHARE			
Numerator for basic earnings per share			
Profit / (loss) before Tax & extra–ordinary & prior period items		**(444.60)**	(519.00)
Cumulative Preference Dividend payable to CNIL		**(0.10)**	(0.03)
Provision for Income Tax, Deferred Tax & FBT		**25.18**	(0.37)
Net Profit / (loss) after Tax & Prior period item	(a)	**(469.88)**	(519.40)
Extra–ordinary items	(b)	**Nil**	Nil
Net Profit / (loss) after Tax, Prior period & Extra–ordinary item	(c)	**(469.88)**	(519.40)
Denominator for basic earnings per share			
Weighted average number of shares	(d)	**157,293,994**	144,329,027
Basic / Diluted earnings per share before extra–ordinary items	e = (a) / (d)	**(29.87)**	(35.93)
Basic / Diluted earnings per share after extra–ordinary items	f = (c) / (d)	**(29.87)**	(35.93)

2.35.1 The conversion option available to holders of 0.01% Non–Participative Optionally Convertible Cumulative Preference Share (OCPS) has lapsed during the year. For the previous year the effect of shares arising on account of conversion option available is not considered in calculation of diluted EPS since the same is anti–dilutive.

2.36 FINANCIAL AND OTHER DERIVATIVE INSTRUMENTS:

2.36.1 Derivative contracts entered into by the Company during the year is Nil and outstanding as at year end are Nil.

2.36.2 Foreign Currency exposures that are not hedged by the derivative instruments and forward contract as at March 31, 2014 for US$ Mn. (US$ 305.97 Mn.)

Particulars		As at March 31, 2014 ₹ in Crores	As at March 31, 2014 US$ Million	As at March 31, 2013 ₹ in Crores	As at March 31, 2013 US$ Million
Payable					
1	External Commercial Borrowings	**899.25**	**150.00**	815.70	150.00
2	Import Trade Payables	**2.81**	**0.47**	2.56	0.47
3	Interest payable on ECB Loan	**86.67**	**14.46**	45.71	8.41
		988.73	**164.93**	863.97	158.88
Receivable and Advances					
1	Export Trade Receivables	**28.18**	**4.70**	25.29	4.65
2	Advances	**286.18**	**49.17**	262.85	49.00
		314.36	**53.87**	288.14	53.65
Investments					
1	Preference Shares	**443.41**	**74.00**	402.19	74.00
2	Equity Shares	**21.55**	**5.76**	21.55	5.76
Total		**464.96**	**79.76**	580.24	79.76

2.37 GOING CONCERN

The Company's business activities comprises of two segments viz "Network Services" and "Power Management". During the last few years, the telecom industry has been adversely affected by the general economic slowdown, forcing the operators to substantially curtail capex on rollout of towers. This has an adverse impact on company's revenue from Network Deployment, Operation and Energy Management and other Network services and consequentially operating margins and cash flow from this segment.

In Power sector, increase in energy cost by Genco's without commensurate revision in energy price to consumers has adversely affected profitability of Power Management. Coupled with this Company's inability to incur sufficient capex could not result in achieving desired efficiency and thereby further affecting operating margins and cash flow of said segment.

In view of the above, Company has incurred Cash losses which has resulted in substantial erosion of the Company's net worth.

The Company is taking various measures such as cost optimisation, renegotiation of contracts with the customers, improving operating efficiency, capex to reduce distribution losses in Power distribution franchises so as to improve Company's operating margins and cash flows. The management believes that these measures together with expected growth in Telecom sector and overall turnaround in economy will have positive impact on the Company's business operations and will generate improved margins and cash flows. In view of above, the Company continues to prepare its financial statements on going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

2.38 DETAILS OF ROUNDED OFF AMOUNTS

The financial statements are presented in ₹ in Crores Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest ₹ Cr. are as follows:

Note	Description	As at March 31, 2014	As at March 31, 2013
2.2	Reserves and Surplus		
	– Capital Reserve	**7,725**	7,725
2.11	Non–Current Investment		
	The Shamrao Vithal Co–Op Bank Ltd.	**Nil**	625

2.39 CONSOLIDATED FINANCIAL STATEMENT

Consolidated financial statements forming part of the accounts with the Auditors report thereon are attached herewith.

2.40 The Previous period figures, wherever necessary, have been regrouped/rearranged/recast to make them comparable with those of the current year.

2.41 Figures in brackets relate to the previous period unless otherwise stated.

As per our report of even date

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

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

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

Arun Prabhu Khanolkar
Whole–time Director

Vijay Vij
Director

M.V. Bhave
Partner
Membership No. 38812

S.S.Yeolekar
Partner
Membership No. 36398

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : May 20, 2014

INDEPENDENT AUDITORS' REPORT

To

The Board of Directors of GTL LIMITED

We have audited the accompanying consolidated financial statements of GTL LIMITED ("the Company") and it's subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Principles Generally Accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

The Company has not considered in the Consolidated financial statements, the Share of Loss in its associates GTL Infrastructure Ltd. (GIL) and Chennai Networks Infrastructure Limited (CNIL) for the reason stated in note no. 2.12.2 . The non–consideration of the Share of Loss in associates is not in accordance with (AS) 23 "Accounting for Investment in Associates in Consolidated Financial Statements".

The Company's holding as on March 31,2014 in GIL and CNIL is 14.99 % and 25.79% respectively.

The share of loss in associate GIL, which has not been considered relates to the period October 1, 2010 to December 31, 2013.For the above referred period GIL has reported a loss of ₹ 1418.62 Crores. In case of CNIL, the Company has not considered share of loss for the period July 19 ,2010 to December 31, 2013 as informed by the management, CNIL has reported a loss of ₹ 2140.69 Crores for the period July 19 , 2010 to December 31, 2013 .

In view of reasons stated in note no. 2.12.2 , the impact of non–consideration of Share of Loss in Associates on Consolidated loss for the year ended March 31 , 2014 , Earnings Per Share for the year ended March 31,2014 and carrying value of investments in associates as on March 31 ,2014 is not ascertained by the management and hence not quantified.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India: –

i. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

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

iii. in the case of the consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Emphasis of Matter

We draw attention to the :

a) Note No. 2.33 regarding preparation of financial statements of the Company on going concern basis notwithstanding the fact that the Company has been incurring cash losses and it's networth has been substantially eroded as on the balance sheet date. These financial statements have been prepared on a going concern basis for the reasons stated in the said note. The appropriateness of assumption of going concern is dependent upon the company's ability to raise requisite funds /generate adequate cash flows in future to meet it's obligations

b) Note No. 2.12.6 regarding the book value of non current investments being lower than there carrying value and non provision for diminution in value of these investments for the reasons mentioned therein.

c) Note No. 2.16.1 regarding trade receivables of ₹ 180.24 Crores due to Company's wholly owned subsidiary International Global Tele–Systems Limited ("Subsidiary")from a customer who has not honoured its commitments on agreed dates. The said receivable is covered by an insurance policy which is assigned in favour of the bank as security for facility availed by the subsidiary. The insurance company has also not settled the claim. The Subsidiary has appointed an arbitrator to resolve the issues between itself and customer. The process of arbitration is still under progress. The subsidiary is confident of the recovery of these receivables and hence no provision is made in the financial statements. In view of significance of this uncertainty we consider that it should be drawn to your attention.

Our opinion is not qualified in respect of these matters.

Other Matter

1. The Consolidated Financial Statements dealt with by this report include the financial results of the following subsidiaries and share in associates:

   Subsidiaries

   a) International Global Tele–systems Limited,

   b) GTL International Ltd and it's subsidiaries;and

   c) Ada Cellworks Wireless Engineering Pvt. Ltd (upto to the date of sell)

Associates

a) Global Rural Netco Limited

We have relied on the unaudited financial statements of International Global Tele–systems Limited and unaudited Consolidated Financial Statements of GTL International Ltd ,whose financial statements reflect total assets of ₹ 1,768.72 as at March 31, 2014, total revenues of ₹ 371.19 Crores and cash flows of ₹ 14.31Crores for the year then ended. These unaudited financial statements / consolidated financial statements have been certified by the management of these companies. Our opinion insofar as it relates to the amounts included in respect of these subsidiaries is based solely on unaudited financial statements / unaudited consolidated financial statements, certified by the management, furnished to us as stated herein above.

We have been furnished audited financial statements of Ada Cellworks Wireless Engineering Pvt. Ltd whose financial statements reflect total assets of ₹ 25.30 Crores as at March 31, 2014, total revenues of ₹ NIL and cash flows of ₹ 0.09 Crores for the year then ended.

These financial statements have been audited by other auditor, whose report has been furnished to us and our opinion insofar as it relates to the amounts included in respect of the said subsidiary is based solely on audited financial statements furnished to us as stated herein above.

The company's share in associate Global Rural Netco Limited is accounted based on unaudited financial statements which are certified by the management of that company and our opinion insofar as it relates to the amounts included in respect of the share of the said associate is based solely on unaudited financial statements furnished to us as stated herein above.

2. As at March 31, 2014, the Company has a Term Loan and Funded Interest Term Loan Liability of ₹ 20.64 Crores payable to Standard Chartered Bank, one of the banks participating in Corporate Debt Restructuring Scheme approved by CDR Empowered Group. The Company has accounted the above liability as per the terms of CDR Scheme. However confirmation of the above liability has not been received.

Our opinion is not qualified in respect of above matters.

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

M. V. Bhave
Partner
Membership No. – 038812

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

S. S. Yeolekar
Partner
Membership No. –036398

Place: Mumbai
Date: 20th May, 2014

Consolidated Balance Sheet as at March 31, 2014

		Note	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
I.	**EQUITY AND LIABILITIES**			
	SHAREHOLDER'S FUNDS			
	Share Capital	2.1	**807.30**	806.96
	Reserves and Surplus	2.2	**272.69**	795.81
			1,079.99	1,602.77
	Minority Interest		**0.33**	0.75
	NON–CURRENT LIABILITIES			
	Long–term borrowings	2.3	**2,256.07**	3,120.44
	Deferred tax liabilities (Net)	2.4	**Nil**	2.13
	Other Long–term liabilities	2.5	**8.02**	20.64
	Long–term provisions	2.6	**5.48**	5.50
			2,269.57	3,148.71
	CURRENT LIABILITIES			
	Short–term borrowings	2.7	**258.27**	256.48
	Trade payables	2.8	**224.53**	396.95
	Other current liabilities	2.9	**3,771.46**	2,798.47
	Short–term provisions	2.10	**1.48**	3.69
			4,255.74	3,455.59
Total			**7,605.63**	8,207.82
II.	**ASSETS**			
	NON–CURRENT ASSETS			
	Fixed assets	2.11		
	Tangible assets		**406.80**	485.62
	Intangible assets		**12.37**	26.39
	Capital work–in–progress		**118.26**	106.08
			537.43	618.09
	Intangible assets under development			
	Non–current investments	2.12	**3,199.81**	2,291.38
	Deferred tax assets (net)	2.4	**14.40**	Nil
	Long–term loans and advances	2.13	**1,741.33**	2,357.35
			4,955.54	4,648.73
	CURRENT ASSETS			
	Current investments	2.14	**45.01**	Nil
	Inventories	2.15	**121.98**	405.89
	Trade receivables	2.16	**913.46**	1,268.92
	Cash and Cash equivalents	2.17	**210.43**	143.12
	Short–term loans and advances	2.18	**608.41**	574.80
	Other current assets	2.19	**213.37**	548.27
			2,112.66	2,941.00
Total			**7,605.63**	8,207.82
Significant Accounting Policies		1		
and Notes form an integral part of the financial Statements		2.1 to 2.35		

As per our report of even date

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

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

M.V. Bhave
Partner
Membership No. 38812

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

S.S.Yeolekar
Partner
Membership No. 36398

Arun Prabhu Khanolkar
Whole–time Director

Milind Bapat
Chief Financial Officer

Vijay Vij
Director

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : May 20, 2014

Statement of Consolidated Profit and Loss for the year ended March 31, 2014

	Note	**For the year ended March 31, 2014 ₹ in Crores**	For the year ended March 31, 2013 ₹ in Crores
Revenue from operations	2.20	**2,633.04**	2,601.32
Less: Excise Duty		**Nil**	Nil
		2,633.04	2,601.32
Other Income	2.21	**83.78**	40.47
Total Revenue		**2,716.82**	2,641.79
Expenses:			
Cost of Purchases	2.22	**2,112.70**	2,009.24
Changes in inventories of finished goods, work–in–progress and Stock–in–Trade	2.23	**(24.12)**	25.54
Employee benefits expenses	2.24	**283.71**	296.69
Finance Costs	2.25	**582.68**	566.79
Depreciation and amortization expense	2.11	**126.72**	177.65
Other expenses	2.26	**116.07**	117.39
Total Expenses		**3,197.76**	3,193.30
Profit / (Loss) before exceptional and extraordinary items and tax		**(480.94)**	(551.51)
Exceptional Items	2.27	**26.65**	Nil
Profit / (Loss) after extraordinary items but before tax		**(507.59)**	(551.51)
Tax expense:			
Current tax	2.28	**(0.14)**	(0.84)
Short Provision for Income Tax for earlier years		**25.18**	(0.89)
Deferred tax Liability / (Asset)		**4.21**	4.99
Profit / (Loss) from the year after Tax		**(536.84)**	(554.77)
Less : Minority Interest		**0.34**	0.13
Add : Share of Profit / (Loss) in associates		**(24.89)**	0.30
Profit/(Loss) for the year		**(561.39)**	(554.34)
Earnings per equity share:			
Equity shares of par Value ₹ 10/– each.			
Before Extra–ordinary items			
Basic		**(34.05)**	(37.96)
Diluted		**(34.05)**	(37.96)
After Extra–ordinary items			
Basic		**(34.05)**	(37.96)
Diluted		**(34.05)**	(37.96)
Significant Accounting Policies	1		
and Notes form an integral part of the financial Statements	2.1 to 2.35		

As per our report of even date

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

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

M.V. Bhave
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For **M/s Yeolekar & Associates**
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Arun Prabhu Khanolkar
Whole–time Director

Vijay Vij
Director

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : May 20, 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

Particulars		For the year ended March 31, 2014 ₹ in Crores	For the year ended March 31, 2013 ₹ in Crores
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit / (Loss) before tax and extraordinary items after Minority Interest and Share of Profit of Associates:		**(532.15)**	(551.09)
Adjustments for:			
Depreciation		**126.72**	177.65
Interest and Dividend Income		**(13.95)**	(4.11)
Bad Debts written off		**29.87**	Nil
Provision for doubtful Trade Receivables (Net)		**1.22**	10.95
Provision for Doubtful Receivables – Others (Net)		**0.41**	Nil
Debit / Credit balances and claims written off (Net)		**(15.28)**	1.79
(Profit) / Loss on sale of fixed assets (Net)		**0.01**	(0.21)
(Profit) / Loss on sale / redemption of Investments		**(20.60)**	(1.89)
Minority Interest		**(0.34)**	(0.13)
Share of Profit / (Loss) in associates		**24.89**	(0.29)
Unrealised Exchange (Gain) / Loss		**62.51**	13.88
Employee Compensation Expenses under ESOP		**Nil**	(1.20)
Provision for Wealth Tax		**0.01**	0.01
Interest on Borrowings		**522.07**	492.82
Financial Charges		**19.99**	30.55
Operating profit before Working Capital changes		**205.36**	168.73
Adjustments for:			
Inventories		**(7.84)**	28.28
Trade Receivables		**203.48**	32.84
Loans and advances		**291.94**	(136.86)
Other Current Assets		**(14.27)**	121.56
Trade payables		**(169.88)**	(210.20)
Other current liabilities and provisions		**(39.31)**	(0.50)
Cash generated from operations		**469.48**	3.84
Direct taxes received / (paid)		**(2.77)**	(20.42)
Cash flow from Operating Activities		**466.70**	(16.59)
Extraordinary items:			
Extraordinary item		**Nil**	Nil
Net cash from operating activities:	**(A)**	**466.70**	(16.59)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		**(37.48)**	(67.54)
Proceeds from Sale of fixed assets		**0.72**	9.57
Capital Subsidy received		**7.63**	11.39
Realisation of Capital Advance		**119.61**	Nil
Realisation of receivables for Disposal of investment		**49.00**	Nil
Purchase of Investments		**(50.20)**	(0.00)
Proceeds from sale of Investments in Mutual Fund		**943.32**	468.36
Purchase of Investments – Mutual Fund		**(967.73)**	(466.47)
Interest and Dividend Income		**11.73**	(1.23)
Net Cash Generated from/(used in) Investing Activities	**(B)**	**76.60**	(45.92)

Particulars		For the year ended March 31, 2014 ₹ in Crores	For the year ended March 31, 2013 ₹ in Crores
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**Nil**	15.57
Increase in Borrowings		**(195.45)**	390.21
Interest paid		**(278.16)**	(319.27)
Financial Charges		**(18.06)**	(30.55)
Net cash received from/(used in) financing activities	**(C)**	**(491.67)**	55.96
Adjustment on account of Consolidation / Translation	**(D)**	**15.67**	19.70
Net increase / (decrease) in cash and cash equivalents	**(A+B+C+D)**	**67.30**	13.16
Cash and cash equivalents (Opening)		**143.13**	129.97
Cash and cash equivalents (Closing)		**210.43**	143.13

(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 ₹ 36.89 Cr. (Previous year ₹ 33.31 Cr.) which are pledged and also includes ₹ 0.57 Cr. (Previous Year ₹ 1.37 Cr.) towards amount payable for Unclaimed Dividend.

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

a) Increase in paid up Equity Share capital of ₹ 0.34 Cr. (PY ₹ 59.69 Cr.) & in Securities Premium Reserve of ₹ 0.58 Cr. (PY ₹ 211.61 Cr.) which is on account of conversion of Compulsory Convertible Debentures (CCDs) alloted to the lenders under CDR Package.

b) Return of Inventory of ₹ 291.76 Cr. and its consequential impact on advances to suppliers classified under Long Term Loans and Advances

c) Increase in non current investment on account of:

i) Restoration of Company's investment of ₹ 300.32 Cr. in Equity Shares of GTL Infrastructure Limited which were earlier invoked by IFCI, a lender of the Company's Associate, Chennai Network Infrastructure Limited (CNIL).

ii) Acceptance of Investment of ₹ 200.00 Cr. in Preference Shares and of ₹ 150.00 Cr. in Fully Convertible Debentures of Global Rural Netco Limited against amount recoverable towards supplier advances and trade receivable.

iii) Acceptance of Investment of ₹ 241.48 Cr. in Preference Shares of Europian Projects and Avaiations Limited against amount recoverable towards supplier advances and trade receivable.

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

As per our report of even date

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

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

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

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : May 20, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 The Financial statement relates to GTL Limited and its Subsidiary Companies (including step down Subsidiaries). The list of companies considered for consolidation and basis of consolidation is as follows.

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial year ended on
A	**International Global Tele–Systems Limited**	**Mauritius**	**100% subsidiary of GTL Limited**	**December 31**
B	**GTL International Limited**	**Bermuda**	**100% subsidiary of GTL Limited**	**December 31**
B.1	GTL (Singapore) Pte Ltd.	Singapore	100% subsidiary of GTL International Ltd	December 31
B.2	GTL Saudi Arabia Company Limited	Saudi Arabia	90% subsidiary of GTL International Ltd	March 31
B.3	GTL Overseas Middle East FZ LLC	UAE	100% subsidiary of GTL International Ltd	December 31
B.4	GTL International Nigeria Limited	Nigeria	100% subsidiary of GTL International Ltd	December 31
B.5	Pt. GTL Indonesia Limited	Indonesia	100% subsidiary of GTL (Singapore) Pte Ltd.	December 31
B.6	GTL Europe Limited	UK	100% subsidiary of GTL International Ltd	December 31
B.7	GTL Telecommunications Ireland Limited*	Ireland	100% subsidiary of GTL Europe Limited	December 31
B.8	GTL Network Services Malaysia Sdn Bhd.	Malaysia	100% subsidiary of GTL International Ltd	March 31
B.9	IGTL Network Services Philippines Inc.	Philippines	100% subsidiary of GTL Networks Services Malaysia Sdn Bhd	December 31
B.10	GTL China Corporation Ltd.	China	100% subsidiary of GTL Networks Services Malaysia Sdn Bhd	December 31
B.11	GTL Taiwan Co. Ltd.	Taiwan	100% subsidiary of GTL Networks Services Malaysia Sdn Bhd	December 31
B.12	GTL USA Inc.	USA	100% subsidiary of GTL International Ltd	December 31
B.13	GTL International Lanka (Private) Limited	Sri Lanka	100% subsidiary of GTL International Ltd	December 31
B.14	GTL International Bangladesh Pvt. Ltd.	Bangladesh	100% subsidiary of GTL Europe Limited	December 31
B.15	GTL Kenya Limited	Kenya	100% subsidiary of GTL International Ltd	December 31
B.16	GTL Tanzania Limited	Tanzania	100% subsidiary of GTL International Ltd	December 31
B.17	GTL Canada Inc.	Canada	100% subsidiary of GTL USA Inc.	December 31
B.18	GTL Nepal Private Limited	Nepal	100% subsidiary of GTL (Singapore) Pte Ltd.	December 31
B.19	GTL Network Services SA Pty Limited	South Africa	100% subsidiary of GTL International Ltd	December 31
C	**Ada Cellworks Wireless Engineering Private Limited**	**India**	**100% subsidiary of GTL Limited**	**March 31**

* The Company is struck–off on April 13, 2014

1.2 Principles of Consolidation:

a) The financial statements of the Company and its Subsidiary Companies (including step down Subsidiaries) are combined on a line–by–line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra–group balances and intra–group transactions in accordance with Accounting Standard (AS – 21) "Consolidated Financial Statements".

b) In case of foreign subsidiaries, being non–integral foreign operation, revenue items are converted at weighted average rate for the Financial Year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized as the "Translation Reserve" and the same is grouped under "Reserves and Surplus".

c) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

d) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

e) Share of Minority Interest in net profit / loss of the consolidated subsidiaries for the year is identified and adjusted against the profit / loss of the group in order to arrive at the net profit / loss attributable to shareholders of the Company.

f) Share of Minority Interest in net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

g) Investment in Associate Companies is accounted under the equity method as per Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements".

h) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

1.3 Significant Accounting Policies:

These are set out under "Significant Accounting Policies" as stated in the Note No. 1 of the Standalone Financial Statements of the Company.

2. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.1 SHARE CAPITAL

₹ in Crores

Particulars	**As at March 31, 2014**	As at March 31, 2013
Authorised:		
290,000,000 (290,000,000) Equity Shares of ₹ 10 each.	**290.00**	290.00
810,000,000 (810,000,000) Preference Shares of ₹ 10 each.	**810.00**	810.00
	1,100.00	1,100.00
Issued, subscribed and paid up:		
157,296,781 (156,957,693) Equity Shares of ₹ 10 each fully paid–up.	**157.30**	156.96
650,000,000 (650,000,000) 0.01% Non–participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid–up.	**650.00**	650.00
Total	**807.30**	806.96

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

₹ in Crores

Particulars	As at March 31, 2014		As at March 31, 2013	
	Nos.	Amount	Nos.	Amount
Number of Equity Shares at the beginning of the year	**156,957,693**	**156.96**	97,267,833	97.27
Add: Allotment of Equity Shares of ₹10 each fully paid up on account of Conversion of Compulsorily Convertible Debentures (CCDs) issued to Promoter and CDR Lenders under Corporate Debt Restructuring (CDR) package approved to the Company.	**339,088**	**0.34**	59,689,860	59.69
Total Number of Equity Shares at the end of the year	**157,296,781**	**157.30**	156,957,693	156.96

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

₹ in Crores

Particulars	As at March 31, 2014		As at March 31, 2013	
	Nos.	Amount	Nos.	Amount
Number of Preference Shares at the beginning of the year	**650,000,000**	**650.00**	Nil	Nil
Add: Allotment of 0.01% Non–participating Optionally Convertible Cumulative Preference Shares (OCPS) of ₹ 10 each fully paid–up.	**Nil**	**Nil**	650,000,000	650.00
Total Number of Preference Shares at the end of the year	**650,000,000**	**650.00**	650,000,000	650.00

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

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

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

The equity shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 1956 (to the extent applicable) and the provisions of Companies Act, 2013 (to the extent notified), read together with Memorandum of Association of the Company.

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

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

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

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

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

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

The OCPS holders shall have such rights as per the provisions of the Companies Act, 1956 (to the extent applicable) and the provisions of Companies Act, 2013 (to the extent notified), read together with Memorandum of Association of the Company.

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

Name of the shareholder	**No. of Shares as at March 31, 2014**	**% held as at March 31, 2014**	No. of Shares as at March 31, 2013	% held as at March 31, 2013
Global Holding Corporation Private Limited	**50,980,559**	**32.41%**	50,980,559	32.48%
Manoj G. Tirodkar	**18,599,435**	**11.82%**	18,599,435	11.85%

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

Name of the shareholder	**No. of Shares as at March 31, 2014**	**% held as at March 31, 2014**	No. of Shares as at March 31, 2013	% held as at March 31, 2013
Chennai Networks Infrastructure Limited	**650,000,000**	**100%**	650,000,000	100%

2.2 RESERVES AND SURPLUS

₹ in Crores

Particulars	**As at March 31, 2014**	As at March 31, 2013
Capital Reserve		
Opening balance	**12.84**	12.84
Add: Transferred from Statement of Profit and Loss	**Nil**	Nil
Closing Balance	**12.84**	12.84
Capital Redemption Reserve		
Opening balance	**8.63**	8.63
Add: Transferred from Statement of Profit and Loss	**Nil**	Nil
Closing Balance	**8.63**	8.63
Securities Premium Reserve		
Opening balance	**447.59**	235.99
Add: On issue of Equity shares on conversion of CCD	**0.59**	211.60
Closing Balance	**448.18**	447.59

₹ in Crores

Particulars	**As at March 31, 2014**	As at March 31, 2013
Debenture Redemption Reserve		
Opening balance	**191.16**	191.16
Add: Transferred from Statement of Profit and Loss*	**Nil**	Nil
Closing Balance	**191.16**	191.16
Employee Stock Option Outstanding		
Opening balance	**Nil**	1.20
Addition / (Deletion) during the Year	**Nil**	(1.20)
	Nil	Nil
General Reserve		
Opening balance	**510.76**	510.76
Add: Transferred from Statement of Profit and Loss	**Nil**	Nil
Closing Balance	**510.76**	510.76

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Translation Reserve	**1.76**	(10.00)
Reserve on Consolidation	**42.75**	16.82
Balance in Statement of Profit and Loss :		
Surplus / (Deficit) Opening Balance	**(382.00)**	172.34
Add/Less : Net profit / (loss) after tax transferred from Statement of Profit and Loss	**(561.39)**	(554.34)
Surplus / (Deficit) Closing Balance	**(943.39)**	(382.00)
Total	**272.69**	795.81

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

2.3 LONG TERM BORROWINGS

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Secured Loans		
Term Loans:		
From Banks	**2,064.89**	2,440.60
Total of Secured Loan (Refer Note 2.3.1 & 2.3.2)	**2,064.89**	2,440.60
Unsecured Loans		
Debentures:		
Rated Redeemable Unsecured Rupee Non–convertible Debentures (Refer Note 2.3.2 & 2.9.1)	**Nil**	460.00
7% Cumulative Convertible Debentures (Refer Note 2.3.2)	**31.60**	67.02
Term Loans :		
Term Loan from Banks (Refer Note 2.3.2 & 2.3.3)	**159.58**	152.82
Total	**191.18**	679.84
Total of Long Term Borrowings	**2,256.07**	3,120.44

2.3.1 Nature of security:

I) Security created:

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

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

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

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

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

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

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

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

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

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

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

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

II) Security offered pending creation of charge

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

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

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

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

₹ in Crores

Nature of facility and Rate of interest	Mar 15	Mar 16	Mar 17	Mar 18	Mar 19	Mar 20	Mar 21
WCTL – 11%	277.30	369.73	369.74	415.96	231.09	231.09	231.09
FITL – 2%	98.27	98.27	117.92	Nil	Nil	Nil	Nil
Rated Redeemable Unsecured Rupee Non–convertible Debentures – 9.95%	460.00	Nil	Nil	Nil	Nil	Nil	Nil
7% CCD	42.06	31.60	Nil	Nil	Nil	Nil	Nil
Term Loan – LIBOR + 3.5%	8.40	25.20	37.79	46.19	50.40	Nil	Nil
Total	**886.03**	**524.80**	**525.45**	**462.15**	**281.49**	**231.09**	**231.09**

2.3.3 In the previous year GTL International Ltd. (wholly owned subsidiary of the Company) had borrowed from a consortium of Axis Bank, Bank of Baroda and Bank of India and the proceeds of the same were used to repay a part of the 7% Cumulative Convertible Debentures and interest thereon. For this facility, there is an escrow on the bank accounts of GTL USA Inc., GTL Europe Limited, and GTL Singapore Pte Ltd in favour of Axis Bank for the collection from debtors.

2.4 DEFERRED TAX LIABILITIES / (ASSETS)

2.4.1 (a) Composition of Deferred Tax Liability / (Asset) – Step–down Subsidiary Companies

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Related to Fixed Assets	**(14.40)**	2.13
Total	**(14.40)**	2.13

In view of the certainty of future taxable income against which deferred tax asset can be realized and therefore the same is recognized.

(b) Composition of Deferred Tax Asset – Parent Company

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Relating to:		
a) Fixed Assets	**31.87**	36.98
b) Expenses where deduction is available on payment basis	**(72.46)**	(59.12)
c) Unabsorbed Depreciation	**(118.22)**	(97.30)
Total Net	**(158.81)**	(119.44)

2.4.2 The Company has a Deferred Tax Asset of ₹ 158.81Cr. as on March 31, 2014 (₹ 119.44 Cr. as on March 31, 2013). In the absence of reasonable certainty of sufficient future taxable income against which Deferred Tax Asset can be realized, the same is not recognised in accordance with AS 22 on Accounting for Taxes on Income issued by ICAI.

2.5 OTHER LONG TERM LIABILITIES

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Trade payables	**5.85**	18.46
Security Deposits*	**2.17**	2.18
Total	**8.02**	20.64

*Include ₹ 2.16 (₹2.16) received from related party.

2.5.1 The Balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

2.6 LONG TERM PROVISIONS

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefit:		
– Gratuity	**3.74**	3.75
– Leave Encashment	**1.74**	1.75
Total	**5.48**	5.50

2.7 SHORT TERM BORROWINGS

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Loans repayable on demand:		
From Banks		
– Cash Credit – Secured*	**246.65**	245.64
– Overdraft	**11.62**	10.84
Total	**258.27**	256.48

*For details of Securities offered in respect of cash credit facility refer note no. 2.3.1

2.8 TRADE PAYABLE

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Payables	**224.53**	396.95
Total	**224.53**	396.95

2.8.1 The Balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

2.9 OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of Secured Long Term Loan from Bank	**375.57**	263.51
Current maturities of Unsecured Term Loan from Bank	**8.40**	23.09
Current Maturities of Rated Redeemable Unsecured Rupee Non–Convertible Debentures (Refer Note No. 2.9.1)	**460.00**	470.00
Dues to holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures (Refer Note No. 2.9.1)	**940.00**	470.00
Current maturities of 7% cumulative convertible debentures	**42.06**	Nil
Due to External Commercial Borrowing Lenders (Refer Note No. 2.9.2)	**899.25**	815.70
Dues payable to Banks for Secured Long Term Loan (Refer Note No.2.9.3)	**67.19**	Nil
Credit Facilities from Banks – Due (Refer Note No. 2.9.4)	**271.35**	259.92
Application Money towards 1% Compulsory Convertible Debentures (CCD)	**Nil**	0.93
Interest accrued but not due on borrowings	**6.27**	20.12
Interest accrued and due on borrowings (Refer Note 2.9.4)	**577.78**	316.01
Interest accrued and due on Others	**2.03**	1.73
Unpaid dividends	**0.97**	1.61
Capex Creditors	**4.31**	2.85
Expense Creditors	**30.00**	30.22
Provision for Expenses	**9.85**	11.66
Accrued salaries and Employee benefits	**8.98**	5.08
Withholding and other taxes payable	**14.74**	31.37
Advance from Customers	**28.37**	48.96
Security Deposit Received	**0.66**	1.15
Unearned Revenue	**21.62**	21.87
Other Liabilities*	**2.06**	2.69
Total	**3,771.46**	2,798.46

* Includes dues to employees towards insurance claims received ₹ 1.90 Cr. (₹ 2.50 Cr.).

2.9.1 Dues to holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures comprise of unpaid amount of debentures due for redemption in February 13 and February 14 of ₹ 470.00 Cr. each.

The holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures have given their consent to be part of Corporate Debt Restructuring Scheme. Accordingly, the Company and the holders of Rated Redeemable Unsecured Rupee Non–Convertible Debentures have entered into amendment to the original sanction letter on March 22, 2014 to restructure NCDs debt. Pending fulfillment of conditions mentioned therein, the effect of the same is not given in the books.

2.9.2 External Commercial Borrowing (ECB) of US$ 150 Mn. availed by the Company was due for repayment in September 2011 and therefore entire amount due to ECB lenders is overdue for payment.

The Company and ECB lenders had agreed to an indicative term sheet for restructuring of ECB that has been approved by Reserve Bank of India (RBI). The diverse stand taken by different sets of lenders has resulted in non–execution of inter–creditor agreement. In order to over–come impasse, the Company arranged for joint meeting of CDR lenders, ECB lenders and NCD holders in February 2014 and the Company is awaiting required documents for concluding ECB restructuring. Pending execution of documentation, the Company has accrued interest on ECB at original agreed rate.

In the meantime the company has commenced discussion with certain lenders to do settlement of the respective dues.

2.9.3 Dues payable to Banks for Secured Long Term Loan of ₹ 67.19 Cr. (Nil) comprises of:

a. Overdue amount of ₹ 65.72 Cr. relating to period January 2014 to March 2014.

b. Overdue amount of ₹ 1.47 Cr. relating to period June 2013 to December 2013. The Company has made funds available before the due date of payment of loan in the current account with the concerned bank. However, the same is not appropriated by the said bank against the loan liability.

2.9.4 Dues payable of ₹ 271.35 Cr. (₹ 259.92 Cr.) to Banks towards facilities pertaining to the Company's wholly owned subsidiary, International Global Tele–Systems Limited comprises of:

a) Restructured bank loan of ₹ 115.49 Cr. (previous year credit facility of ₹ 114.80 Cr.) due since January 2014 and

b) Credit facility from the bank of ₹ 155.86 Cr. (previous year ₹ 145.14 Cr.), which was covered under an insurance policy assigned to the bank due since October 2011. The corresponding amount of the previous year of ₹ 145.14 Cr. was netted off against trade receivables. This has now been reclassified and presented accordingly.

2.9.5 Interest accrued and due on borrowings comprises of

a) Overdue Interest of ₹ 415.50 Cr. relating to the period May 2011 to March 2014 (₹ 250.89 Cr. for the period May 2011 to February 2013) on 'Rated Redeemable Unsecured Rupee Non–convertible Debentures;

b) Overdue Interest of ₹ 86.67 Cr. relating to the period for December 12, 2011 to March 31, 2014 (₹44.66 Cr. for the period December 12, 2011 to March 19, 2013) on External Commercial Borrowing;

c) Overdue Interest of ₹ 23.00 Cr. (Nil) and ₹ 0.81 Cr. (₹ 0.24 Cr.) on Term Loan and Funded Interest Term Loan respectively relating to the period February 14 to March 14, out of such overdue interest ₹ 3.13 Cr. and ₹ 0.08 Cr. on Term Loan and Funded Interest Term Loan respectively has been paid subsequently.

d) Overdue Interest of ₹ 1.78 Cr. for period April 13 to February 14 (Nil) on Term Loan and ₹ 0.08 Cr. for the period July 2011 to February 2014 (₹ 0.01 for the month of March 13) on Funded Interest Term Loan. The Company has made funds available before the due date of payment of interest in the current account with the concerned bank. However, the same is not appropriated by the said bank against the interest liability.

e) Overdue interest of ₹ 49.88 Cr. (₹ 8.13 Cr.) pertaining to international subsidiaries and step–down subsidiaries comprises of:

i) Interest of ₹ 27.44 Cr. for the period March 12 to March 14 (₹ 11.97 for the period March 12 to March 13) on Credit facility

ii) Interest of ₹ 6.83 Cr. for the period September 12 to March 14 (₹ 3.05 For the period September 12 to March 13) on term loans

iii) Interest of ₹ 14.10 Cr. for the period June 12 to March 14 (₹ 3.08 for the period June 12 to March 13) on 7% Cumulative Convertible Debentures

iv) Interest of ₹ 1.51 Cr. for the period September 13 to March 14 (₹ 2.01 Cr. For the period September 13 to March 13) on overdraft facilities

2.10 SHORT TERM PROVISIONS

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits		
– Gratuity	**0.02**	2.33
– Leave Encashment	**0.33**	0.21
Provision for Fringe Benefit Tax (Net of Payment)	**Nil**	0.05
Provision for Income Tax	**1.13**	1.10
Total	**1.48**	3.69

2.11 FIXED ASSETS

₹ in Crores

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2013	For the period Additions	Sale / Adjustment	**As at March 31, 2014**	As at April 1, 2013	For the period Additions	Sale / Adjustment	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
Tangible Assets										
Land – Freehold	0.23	Nil	Nil	**0.23**	Nil	Nil	Nil	**Nil**	**0.23**	0.23
– Leasehold	0.74	3.15	Nil	**3.89**	Nil	0.04	Nil	**0.04**	**3.85**	0.74
Buildings (Including Leashold)	91.43	0.14	(0.01)	**91.56**	12.26	1.79	(0.03)	**14.02**	**77.54**	79.18
Plant and Equipments	456.26	25.21	(9.57)	**471.90**	195.92	80.14	(3.66)	**272.40**	**199.50**	260.34
Furniture and Fixtures	31.20	0.58	(0.01)	**31.77**	19.64	2.59	(0.01)	**22.22**	**9.55**	11.56
Office Equipments	27.67	0.79	(0.01)	**28.45**	12.70	1.73	(0.25)	**14.18**	**14.27**	14.97
Computers	69.76	2.23	(2.59)	**69.40**	44.97	5.09	(0.08)	**49.98**	**19.44**	24.79
Networking Assets	345.70	Nil	Nil	**345.70**	260.35	14.76	Nil	**275.11**	**70.59**	85.35
Test and Repair Equipments	26.25	6.50	(0.01)	**32.74**	19.02	2.73	(0.01)	**21.74**	**11.00**	7.23
Vehicles	2.88	Nil	(0.35)	**2.53**	1.66	0.18	(0.14)	**1.70**	**0.83**	1.22
TOTAL	**1,052.12**	**38.60**	**(12.55)**	**1,078.17**	**566.52**	**109.05**	**(4.18)**	**671.39**	**406.80**	**485.62**
Intangible Assets										
Networking Software	24.29	3.64	Nil	**27.93**	23.62	1.32	Nil	**24.94**	**2.99**	0.67
Other than Networking Software	76.53	Nil	Nil	**76.53**	50.80	16.35	Nil	**67.15**	**9.38**	25.73
TOTAL	**100.82**	**3.64**	**Nil**	**104.46**	**74.42**	**17.67**	**Nil**	**92.09**	**12.37**	**26.39**
Capital work in progress	106.08	26.77	(14.59)	**118.26**	Nil	Nil	Nil	**Nil**	**118.26**	106.08
TOTAL	**1,259.02**	**69.01**	**(27.14)**	**1,300.89**	**640.94**	**126.72**	**(4.18)**	**763.48**	**537.43**	**618.09**
PREVIOUS YEAR	1,244.99	119.33	(105.30)	**1,259.02**	466.82	177.65	(3.97)	**640.94**	**618.09**	778.17

1. Gross block of building includes subscription towards share capital of co–operative societies amounting to ₹ 2,750.00 (Previous Year ₹ 2,750.00) and leased buildings amounting to ₹ 90.73 Cr. (Previous Year ₹ 90.59 Cr.)
2. Intangible assets includes internally generated software of ₹ 7.27 Cr. (Previous Year ₹ 7.27 Cr.)
3. "Sale & Adjustment column" pertaining to Plant & Machinery represents adjustment on account of Capital Subsidy of ₹ 7.63 Cr. (Previous Year ₹ 11.39 Cr.) received during the year. Consequent up on adjustment depreciation of ₹ 1.64 Cr. (Previous Year ₹ 0.58 Cr.) has been written back.
4. In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the year carried out an exercise of identifying assets that many have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the period ended March 31, 2014.

2.12 NON–CURRENT INVESTMENT

₹ in Crores

Particulars	Numbers	As at March 31, 2014	As at March 31, 2013
Trade			
Quoted			
Equity Shares of Asssociates			
GTL Infrastrucure Ltd. (Face Value of ₹ 10/– each)	345,763,466 (170,226,673)	**591.55**	291.23
Total of Quoted Investments in Equity Shares – Trade	**(A)**	**591.55**	291.23
Un – quoted			
Equity Shares of Asssociates			
Global Rural Netco Ltd (Face Value of ₹ 10/– each)	75,000,000 (75,000,000)	**75.00**	75.00
Chennai Network Infrastructure Ltd (Face Value of ₹ 10/– each)	1,700,742,399 (1,700,742,399)	**1,637.48**	1,637.48
		1,712.48	1,712.48
Others			
European Projects and Aviation Ltd (Face Value of ₹ 10/– each)	12,350,000 (12,350,000)	**53.81**	53.81
		53.81	53.81
Total of Un–quoted Investments in Equity Shares – Trade	**(B)**	**1,766.29**	1,766.29
Preference Shares of Assstociates			
6% Cumulative Redeemable Preference Shares of Global Rural Netco Ltd. (Face Value of ₹ 100/– each fully paid up)	20,000,000 (Nil)	**200.00**	Nil
		200.00	Nil
Others			
0.1% Cumilative Preference Shares of Global Proserve Ltd (Face Value of ₹ 100/– each)	13,000,000 (13,000,000)	**130.00**	130.00
0.1% Optionally convertible Preference Shares of European Projects and Aviation Ltd (Face Value of ₹ 10/– each)	1,300,000 (1,300,000)	**13.00**	13.00
0.02% 13 Years optionally convertible Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each)	44,690,000 (Nil)	**44.69**	Nil
0.02% 13 Years Redeemable Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each)	5,560,000 (Nil)	**5.56**	Nil
0.1% 13 Years optionally convertible Preference Shares of European Projects and Aviation Limited (Face Value of ₹ 10/– each)	44,246,900 (Nil)	**241.48**	Nil
		434.73	143.00
Total of Un–quoted Investments in Preference Shares – Trade	**(C)**	**634.73**	143.00

₹ in Crores

Particulars	Numbers	As at March 31, 2014	As at March 31, 2013
Debentures of :			
Asssociates			
11% Fully Convertible Debenture Series – A			
Global Rural Netco Ltd. (Face Value of ₹ 100/– each)	15,000,000 (Nil)	**150.00**	Nil
Total of un–quoted Investment in Debentures – Trade	**(D)**	**150.00**	Nil
Total of Un–quoted Investments – Trade	**E = (B + C + D)**	**2,551.02**	1,909.29
Total of Investments – Trade	**F = (A + E)**	**3,142.57**	2,200.52
Other Invesments – Non Trade			
Un – quoted			
Equity Shares of Others			
Brickway Rating India Pvt Ltd. (Face Value of ₹ 10/– each)	320,000 (320,000)	**2.00**	2.00
Alpha Imex International Ltd. (Face Value of US$ 1/– each)	Nil (5,000)	**Nil**	0.02
The Shamrao Vithal Co–operative Bank Ltd. (Face Value of ₹ 25/– each)	Nil (25)	**Nil**	0.00
Total of Un – quoted Investments in Equity Shares – Non – Trade	**(G)**	**2.00**	2.02
Preference Shares of Others			
5% Redeemable Preference Shares of City Windsor Ltd. (face value of US$ 1 each fully paid up)	20,000,000 (20,000,000)	**120.17**	109.33
Total of un–quoted investments in preference–others	**(H)**	**120.17**	109.33
Investment in Limited Liability Partnership			
Corpxcel Advisory LLP	**(I)**	**Nil**	0.05
Total Investments	J=(F + G + H + I)	**3,264.74**	2,311.92
Less : Share of Loss of Investment in Associates (GTL Infrastructure Ltd. And Global Rural Netco Company Ltd.)		**(64.93)**	(20.54)
Net Investment (Net of Share of Loss of Investment in Associates)		**3,199.81**	2,291.38

2.12.1 For basis of valuation Refer Point No. 7 of Note No. 1 "Significant Accounting Policies of Standalone Financial Statements."

2.12.2 The detail of Company's holding in its Associates as at March 31, 2014 is as follows:

Name of the Associate	% Holding as at March 31, 2014	% Holding as at March 31, 2013
GTL Infrastructure Limited	**14.99%**	7.38%
Chennai Network Infrastructure Limited	**25.79%**	27.02%
Global Rural Netco Limited	**42.86%**	42.86%

The Company's Share in Associate, Global Rural Netco Limited is accounted based on Un–audited financial statements for the year ended March 31, 2014.

The percentage shareholding of the Company in its associates GTL Infrastructure Limited (GIL) and Chennai Network Infrastructure Limited (CNIL) together with its share in these Associates is not presently quantifiable in view of the following and hence the same is not considered:

a. Conversion option available to the holders of FCCB of GIL.

b. GIL and CNIL have filed requisite merger petitions with high court of judicature at Bombay and Madras with appointed date as

August 01, 2010. The proposed merger of CNIL with GIL has been approved by Hon'ble Mumbai High Court and is pending for approval from Madras High court. The Board of Directors of GIL have decided to discuss and finalize with the lenders the modification to the Scheme of Arrangement / Merger between GIL and CNIL subject to approval of lenders. This is likely to change Swap ratio.

c. The scheme of arrangement / merger of GIL and CNIL also envisages impact on the Financials of GIL and CNIL from appointed date.

In view of the above uncertainties, It is proposed to consider share in GIL and CNIL post resolution of these uncertainties.

2.12.3 Details of aggregate amount of Quoted Investment, Market value thereof and aggregate amount of Unquoted Investment:

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Aggregate amount of Quoted Investments	**591.55**	291.23
Market Value of Quoted Investments	**50.14**	45.11
Aggregate amount of Unquoted Investments	**2,673.19**	2,020.69

2.12.4 Pursuant to settlement arrived during the year between Chennai Network Infrastructure Limited (CNIL), IFCI Ltd (IFCI) and the Company, IFCI has returned to the Company equity shares of GTL Infrastructure Ltd (GIL) which were appropriated by IFCI in the past for their financial assistance to CNIL and resultantly, the Company's investment in GIL as at March 31, 2014 has increased.

2.12.5 Pursuant to settlement arrived during the year with the suppllies for advances and the Company, the Company has accepted from its suppliers Redeemable preference shares of ₹ 200.00 Cr. and Fully Convertible Debentrures of ₹ 150.00 Cr. of Global Rural Netco Limited and Optionally convertible preference shares of ₹ 241.48 Cr. of European Projects and Aviation Limited.

2.12.6 The Company holds investment in both quoted / unquoted equity and preference shares. In respect of Company's investment in unquoted shares, the book value of these investments, as ascertained from the latest available audited / unaudited financials of the investee companies, is much lower than carrying cost of these investments. Similarly, the market value of Company's quoted investment is much below the carrying cost of such investment. However, in the opinion of the Management, having regard to the long–term nature of these investments and future business plans of the investee companies, the diminution in the value of investments does not require provision as such diminution is not other than temporary.

2.13 LONG TERM LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Advance to Suppliers (Refer Note No. 2.13.1)	**987.75**	1,436.79
Capital Advances	**0.44**	120.05
Other Advances	**742.07**	733.76
Security Deposits	**7.66**	5.07
Advance Income Tax & Tax Deducted at source (Net of provision)	**3.41**	61.68
Total	**1,741.33**	2,357.35

2.13.1 The Company had paid advances for procurement of material to execute large telecom projects such as BSNL Mega Tender, Aircel and other telecom projects. In view of discontinuation of these projects, the corresponding purchases have not taken place and hence the advances paid for supplies for these materials are not getting adjusted. The Company therefore has entered into agreement with the suppliers for recovery of the said advances. Accordingly during the year, the Company has made part recovery of the said advances and also acquired from the suppliers investment in other companies. The balance advances will be realised by the Company as per the agreed terms.

2.14 CURRENT INVESTMENTS

₹ in Crores

Particulars	Number of units	As at March 31, 2014	As at March 31, 2013
Un–quoted			
Mutual Funds of			
ICICI Prudential Liquid Plan – Direct Growth	882,684 (Nil)	**16.60**	Nil
LIC Nomura Liquid Fund – Growth Plan	123,777 (Nil)	**28.41**	Nil
Total		**45.01**	Nil

2.14.1 For basis of Valuation Refer Point No. 7 Note No. 1 "Significant Accounting Policies of Standalone Financial Statement."

2.14.2 Details of aggregate amount of Quoted Investment, Market value thereof and aggregate amount of Unquoted Investment:

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Aggregate amount of quoted investments	**Nil**	Nil
Market Value of quoted investments	**Nil**	Nil
Aggregate amount of unquoted investments	**45.01**	Nil

2.15 INVENTORIES

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Stock–in–trade held for trading	**67.46**	332.58
Work in Progress	**46.20**	64.40
Stores and Spares	**0.77**	1.20
Consumables	**7.55**	7.71
Total	**121.98**	405.89

2.15.1 For basis of valuation – Refer Point No. 8 of Note No. 1 "Significant Accounting Policies" of Standalone Financial Statements.

2.16 TRADE RECEIVABLES (Unsecured)

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Trade receivable outstanding for a period exceeding six months (From the due date of the payment)		
Considered good	**668.21**	970.82
Considered doubtful	**17.26**	13.79
Less: Allowance for Doubtful Trade Receivables	**(17.26)**	(13.79)
Subtotal	**668.21**	970.82
Other Trade receivable		
Considered good	**245.25**	298.10
Total	**913.46**	1,268.92

2.16.1 In respect of trade receivable of ₹ 180.24 Cr. (₹ 163.98 Cr.) due to Company's wholly owned subsidiary International Global Tele–Systems Limited ("subsidiary"), the customer has not honoured its commitment on the agreed dates. The said receivable is covered by an insurance policy which is assigned in favour of the Bank as security for the facility availed by the subsidiary. The insurance company has also not settled the claim. The subsidiary has appointed an Arbitrator to resolve the issues between itself and the customer. The process of the arbitration is still under progress. The subsidiary is confident of its recovery and hence no provision is made in the financial statements.

During the previous year, trade receivables were shown net off of credit facility of ₹ 145.14 Cr. This has now been reclassified and presented accordingly.

2.16.2 The Company has sought the balance confirmations from the customers and has received such confirmations from some customers. In respect of remaining customers, balances are subject to confirmation and thereby appropriate adjustment, if necessary, will be considered in the year of reconciliation.

2.17 CASH AND BANK BALANCES

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
1) Cash & Cash Equivalents		
a) Balance with Banks	**167.03**	82.05
b) Cash on Hand	**0.99**	1.69
c) Cheques in Hand (Since Realised)	**0.01**	20.33
2) Earmarked Balances with Bank	**0.71**	1.37
3) Balances with Bank held as margin money*	**41.69**	37.68
Total	**210.43**	143.12

*Includes ₹ 0.95 Cr. (₹ 0.56 Cr.) having maturity after 12 months.

2.18 SHORT TERM LOANS and ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Loans and Advances to associates	**Nil**	3.38
Deposits	**10.03**	42.09
Less: Provision for doubtful Deposits	**(0.44)**	(0.41)
Deposits considered good	**9.59**	41.68
Income Tax refund receivable (Refer Note No. 2.28.1)	**42.27**	1.46
Prepaid Expenses	**8.11**	11.79
Input Tax Recoverable	**20.29**	18.40
Advance to Suppliers (Refer Note No. 2.13.1)	**423.88**	398.55
Less: Provision for doubtful Advance to Suppliers	**(0.05)**	(0.28)
Advance to Suppliers considered good	**423.83**	398.27
Interest receivable	**32.39**	34.97
Loans and Advances to employees	**4.40**	4.12
Less: Provision for doubtful Loans & Advances to employees	**(0.74)**	(0.73)
Loans & Advances to employees considered good	**3.66**	3.39
Preference Share Application Money (Refer Note No. 2.18.1)	**60.09**	54.67
Others	**8.18**	6.79
Total	**608.41**	574.80

2.18.1 The Company's subsidiary had made application for subscription towards 5% redeemable preference shares of Global Infrastructure Services Limited of US$ 1/– each amounting to US$ 10 Mn (₹ 60.09 Cr.) (Previous year US$ 10 Mn – ₹ 54.67 Cr.)

The corresponding amount was shown under non – current investment in the previous year has been reclassified and presented accordingly.

2.19 OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Unbilled Revenue	**199.99**	165.02
Receivable towards reimbursable cost / expense	**11.95**	32.17
Less: Provision for Receivable towards reimbursable of cost / expenses	**(0.33)**	Nil
Receivable towards reimbursable of cost / expenses considered good	**11.62**	32.17
Receivable towards Invocation of Investment	**Nil**	250.19
Compensation towards Invocation of Investment	**Nil**	50.46
Others	**1.76**	50.43
Total	**213.37**	548.27

2.20 REVENUE FROM OPERATIONS

₹ in Crores

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of Products		
Telecom Products	**269.14**	128.01
Power Management	**10.71**	20.37
Sale of Services		
Telecom Services	**242.32**	412.93
Power Management Services	**20.55**	18.53
Revenue from Turnkey Projects		
Telecom Projects	**52.80**	7.33
Revenue from Power Distribution Business	**1,014.88**	984.65
Revenue from Energy Management Services	**1,022.60**	1,029.50
Other Operating Revenues	**0.04**	0.01
Total	**2,633.04**	2,601.32

2.21 OTHER INCOME

₹ in Crores

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income		
from Bank Deposits	**2.80**	3.68
from Others	**11.15**	0.42
Dividend on Non trade investments	**0.01**	0.01
Profit on sale of Current Investments (Net)	**20.60**	1.89
Gain on Foreign Currency Transactions (Net)	**19.37**	29.39
Profit on sale of fixed assets (Net)	**Nil**	0.21
Lease and Rent Income	**2.65**	2.70
Other Non–Operating Income	**27.02**	2.17
Total	**83.78**	40.47

* Other Non–Operating Income includes Balances written back of ₹ 25.24 (Nil)

2.22 COST OF PURCHASES / SERVICES

₹ in Crores

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Purchase of Stock in Trade		
Telecom Products	**210.02**	172.05
Power Management	**5.64**	20.83
Total of Purchase of Stock in Trade	**215.66**	192.88
Purchase of Material (Other than for trade) and Services		
Energy Input Cost – (Franchisee Business)	**1,002.05**	934.30
Electricity, Diesel cost for Energy Management	**769.06**	780.33
Turnkey Projects	**55.69**	3.42
Sub–Contractor Charges	**28.58**	41.96
Vehicle Hire Charges – Projects	**41.66**	14.75
Hire Charges – Network Equipment	**Nil**	41.60
Total of Purchase of Material (Other than for trade) and Services	**1,897.04**	1,816.36
Total	**2,112.70**	2,009.24

2.23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK–IN–PROGRESS AND STOCK–IN–TRADE

₹ in Crores

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Decrease / (Increase) in Inventory		
Work in Progress	**0.75**	(24.28)
Stock in trade*	**(25.80)**	49.73
Spares and Consumables	**0.93**	0.09
Total	**(24.12)**	25.54

* Net of purchase return

2.24 EMPLOYEE BENEFIT EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries	**180.92**	201.91
Contribution to Provident and Other Funds	**4.79**	5.68
Staff Welfare Expenses	**10.63**	10.89
Employee Compensation Expense under ESOP	**Nil**	(1.20)
Outsourced Manpower Cost	**87.37**	79.41
Total	**283.71**	296.69

2.25 FINANCE COSTS

₹ in Crores

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest on Borrowings	**522.07**	492.82
Other Borrowing costs	**19.99**	30.55
Exchange difference to the extent considered as an adjustment to Borrowing Cost	**40.62**	43.42
Total	**582.68**	566.79

2.26 OTHER EXPENSES

₹ in Crores

Particulars		For the year ended March 31, 2014	For the year ended March 31, 2013
Consumption of Stores and Spares (Refer Note No. 2.26.1)		**1.11**	0.52
Communication Expenses		**6.19**	6.97
Advertisement Expenses		**0.20**	0.41
Business Promotion Expenses		**5.80**	4.00
Discounts and Commission		**6.72**	9.22
Freight Charges		**0.01**	0.05
Rates and Taxes [including Wealth tax]		**0.83**	1.41
Rent		**8.75**	10.97
Electricity Charges		**2.93**	3.72
Insurance		**1.59**	2.97
Legal and Professional Fees		**15.10**	10.65
Travelling and Conveyance Expenses		**11.31**	8.82
Director's Sitting Fees		**0.04**	0.06
Auditor's Remuneration		**1.71**	1.32
Repairs and Maintenance – Buildings		**0.03**	0.06
Repairs and Maintenance – Plant and Machinery		**1.14**	1.31
Repairs and Maintenance – Others		**4.72**	6.97
Bad Debts Written off	29.87		3.04
Provision Written back	(3.31)		(3.77)
		26.56	(0.73)
Provision for Doubtful Trade Receivables		**4.53**	11.68
Provision for Doubtful Receivables – others		**0.41**	Nil
Loss on sale of fixed assets (Net)		**0.01**	Nil
Other Expenses (Net)		**16.38**	37.00
Total		**116.07**	117.38

2.26.1 Details of Consumption of Stores and Spares

₹ in Crores

Particulars	Apr 13 – Mar 14 Amount	Apr 13 – Mar 14 %	Apr 12 – Mar 13 Amount	Apr 12 – Mar 13 %
Indigenous Goods	**1.11**	**100%**	0.52	100%
Imported Goods	**Nil**	**Nil**	Nil	Nil

2.26.2 Prior Period Items:

₹ in Crores

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Expenses		
Professional & Consultancy Charges	**Nil**	0.43
Total	**Nil**	0.43

Prior period items are considered in the respective line items as stated above.

2.27 EXCEPTIONAL ITEMS

Exceptional item of ₹ 26.65 Cr. (previous year NIL) represents accounting effect (net of tax) of re–statement of accounts of Company's international step down subsidiary, pertaining to period ending December 31, 2012.

2.28 TAX EXPENSE

₹ in Crores

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Income Tax	**(0.14)**	(0.84)
Less: MAT Credit entitlement	**Nil**	Nil
Net Current Income Tax	**(0.14)**	(0.84)
Short Provision for Income tax for earlier years	**25.18**	(0.89)
Deferred taxes	**4.21**	4.99
Total	**29.25**	3.26

2.28.1 Provision of Income tax includes tax liability of ₹ 25.57 Cr towards tax liability determined for Assessment Years 2005–06 to 2012–13 upon conclusion of proceedings before Appropriate Statutory Authority and the Company also to receive balance tax refund of ₹ 44.14 Cr. (inclusive of interest) .

2.29 Contingent Liabilities & Commitments:

2.29.1 Contingent Liabilities

₹ in Crores

Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
i.	Claims against the Company not acknowledged as debts*	**189.56**	278.54
ii.	Guarantees given by Banks on behalf of the Company	**214.10**	171.13
iii.	Performance Guarantees issued to banks on behalf of Subsidiaries / Associates and Affiliates	**5.00**	5.00
iv	Corporate Guarantees given by the Company for loans taken by subsidiaries / others	**594.79**	581.95
v	Disputed Sales tax liabilities in respect of pending appeals. (Amount deposited ₹ 0.57 Cr. (₹ 3.12 Cr.)	**10.28**	9.08
vi	Disputed Income tax liabilities in respect of pending appeals (Amount deposited ₹ Nil Cr. (₹ 0.40 Cr.)	**Nil**	0.76
vii	Premium on Redemption of 0.01% Non–Participative Optionally Convertible Cumulative Preference Share (Refer Note No. 2.31.2)	**Nil**	25.93
viii	Dividend on 0.01% Non–Participative Optionally Convertible Cumulative Preference Share	**0.10**	0.03

No cash out flow is expected in near future in respect of above items

*includes claim of ₹ 179.00 Cr. (₹ 179.00 Cr.) of Global Holding Corporation Pvt. Ltd. an Associate.

2.29.2 During the year, as agreed by the Non–Participative Optionally Convertible Cumulative Preference Share (OCPS) holder, the original term providing Yield To Maturity of 8% by way of redemption premium has been repealed. In view of this, OCPS holder is now not entitled for redemption premium retrospectively from date of issue of OCPS.

2.29.3 Commitments

2.29.3.1 Estimated amount of contracts remaining to be executed

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
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.)	**7.86**	39.58

2.29.3.2 Other Commitments

a) GTL Infrastructure Ltd (GIL) is an associate of the Company. The Company's equity shareholding in GIL, as at Balance Sheet date is 14.99% (7.38%). As a promoter of GIL, the Company has furnished following undertakings in respect of credit facilities of ₹ 2,829 Cr. (₹ 2,829 Cr.) and Foreign Currency loan of US$ 175Mn. (US$ 175 Mn.) then sanctioned by various lending institutions for GIL's second phase project of setting up of telecom sites.

   i) The Company along with Global Holding Corporation Private Limited (GHC) an associate shall not reduce the shareholding in GIL below 26%. The Company shall retain the management control of GIL.

   ii) The Company shall bring or arrange Equity/ Preference Capital as envisaged by Phase II lenders.

   iii) In case of cost overrun or shortfall, the Company shall bring and / or arrange additional capital within a period of 90 days from written demand by Creditor's Agent either in form of Equity or preference or subordinated loans.

   iv) The Company shall ensure that GIL will not abandon the Project during the currency of Phase II loans.

v) The Company shall ensure that GIL is provided with requisite technical, financial and managerial expertise to perform / discharge its obligation under the project.

b) The Company's equity shareholding in European Projects and Aviation Limited (EPAL) (Formerly known as Global Projects and Aviation Private Limited (GPAL)) as at Balance Sheet date is 19% (19%). EPAL has been sanctioned Working capital line of credit of ₹ 500 Cr. (₹ 500 Cr.). The Company has furnished various undertakings for the above referred line of credit which *inter alia* provide as under:

i) The Company along with its associate Global Holding Corporation Private Limited (GHC) shall not reduce the shareholding in EPAL below 51%. The Company shall retain the management control of EPAL during the tenor of credit facilities.

ii) The Company along with its associate GHC shall ensure conversion of Redeemable Preference Shares issued by EPAL in to Equity Shares or compulsorily convertible instrument or shall ensure that the same shall be redeemed out of infusion of fresh equity or compulsorily convertible instrument by the Sponsors.

iii) The Company shall contribute towards the shortfall in the funds required by EPAL to complete the projects as defined in terms and conditions of credit facilities.

c) Global Rural Netco Limited (GRNL) is an associate of the Company. The Company's equity shareholding in GRNL as at March 31, 2014 is 42.86% (42.86%) GRNL had issued Fully Convertible Debentures of ₹ 250.00 Cr. to IFCI Limited on June 10, 2010. For securing the said loan, the Company and Global Holding Corporation Private Limited (GHC) had executed security documents *inter–alia* Indemnity Undertaking thereby agreeing to purchase the FCDs from IFCI in terms of the Subcription Agreement.

Subsequently, in terms of the settlement between GRNL and IFCI on August 03, 2012, GRNLs loan of ₹ 250.00 Cr. reduced to Optionally Convertible Loan of ₹ 100.00 Cr. and in case the loan has not been repaid / prepaid / converted into equity shares of GRNL on or before March 31, 2015, IFCI has put option and the Company has to purchase the said loan from IFCI.

i) Upon failure of GRNL to repay the OCL on or prior to March 31, 2015, IFCI shall be entitled to, at any time thereafter, exercise the Put Option by a written notice ("Put Notice") to GTL and require GTL to purchase the OCL outstanding as of the date of exercise of the Put Option by IFCI.

ii) GTL shall, within a period of 30 (Thirty) Business days, subject to all requisite approvals and permissions, as may be required by GTL for such purchase, from the date of receipt of the Put Notice from IFCI, purchase Put Option OCL for such sum so as to provide IFCI a YTM of 13.50% on the Put Option OCL, calculated from April 1, 2012 up to the date of payment by GTL ("Put Option Purchase Price"). However, in case IFCI does not exercise Put option on or before April 30, 2015, then, subject to the provisions herein being followed, GTL shall purchase the Put Option OCL for such sum so as to provide IFCI a YTM of 13.50% on Put Option OCL from April 1, 2012 to March 31, 2015 only.

d) Chennai Network Infrastructure Limited (CNIL) is an associate of the Company. The Company's equity shareholding as at March 31, 2014 is 25.79% (27.02%). As sponsors to CNIL, the Company along with its associates Global Holding Corporation Private Limited and GTL Infrastructure Limited have agreed to hold and maintain at least 26% and to further contribute in the form of equity in future, if required to meet needs of CNIL and to replenish Debt Service Account Letter of Credit (DSRA LC), in the event DSRA LC is invoked by the lenders.

e) The CDR lenders of the Company have right to re–compense in respect of relief extended and sacrifices made by them of ₹ 555.87 Cr. as per Master Restructuring Agreement (MRA). Such right is exercisable by CDR lenders based on criteria's / conditions as details in MRA.

2.30 RELATED PARTY DISCLOSURES

A Related Parties

I Associates

a) GTL Infrastructure Limited

b) Global Rural Netco Pvt. Ltd.

c) Chennai Network Infrastructure Ltd.

d) Global Holding Corporation Private Limited

II **Key Managerial Personnel**

a) Mr. Manoj Tirodkar, Chairman and Managing Director

b) Mr. Sukanta Kumar Roy, Whole–time Director and COO (up to July 26, 2013)

c) Mr. Arun Prabhu Khanolkar, Whole–time Director (effective from August 1, 2013)

d) Mr. Vidyadhar Apte, Company Secretary

e) Mr. Milind Bapat, Chief Financial Officer

B. Transactions with Related Party

₹ in Crores

Particulars	Associates Companies		Key Managerial Personnel	
	For the Year ended March 31, 2014	For the Year period ended March 31, 2013	**For the Year ended March 31, 2014**	For the Year period ended March 31, 2013
Sales & Services	**616.18**	519.37	**Nil**	Nil
Reimbursement Expenses from	**72.90**	77.04	**Nil**	Nil
Interest Income	**5.92**	Nil	**Nil**	Nil
Rent Received	**2.59**	2.61	**Nil**	Nil
Purchases	**Nil**	Nil	**Nil**	Nil
Purchase of Fixed Assets	**6.50**	Nil	**Nil**	Nil
Sales of Fixed Assets	**0.41**	Nil	**Nil**	Nil
Reimbursement Expenses to	**375.77**	347.74	**Nil**	Nil
Preference Shares – Allotment	**Nil**	650.00	**Nil**	Nil
Investment in Equity Shares	**Nil**	569.36	**Nil**	Nil
Investment In Preference	**Nil**	Nil	**Nil**	Nil
Investment In FCD	**Nil**	Nil	**Nil**	Nil
Bank claim paid by the Company	**Nil**	Nil	**Nil**	Nil
Salaries and Allowances	**Nil**	Nil	**2.62**	1.94
Contribution to Providend and Other Funds	**Nil**	Nil	**0.09**	0.06
Other Expenses	**Nil**	3.65	**0.29**	0.17
Equity Shares allotted*	**Nil**	Nil	**Nil**	18.36
Outstanding as at	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013
Deposit Received	**2.16**	2.16	**Nil**	Nil
Corporate Guarantees given	**Nil**	Nil	**Nil**	Nil
Receivables	**48.31**	18.59	**Nil**	Nil
Receivables towards Reimbursable cost / expense	**8.48**	303.36	**Nil**	Nil
Receivable towards Bank claim paid by the Company	**Nil**	Nil	**Nil**	Nil
Advances / Deposits	**Nil**	3.38	**Nil**	Nil
Payables (incl. Advance received)	**3.79**	34.03	**0.02**	0.02
ESOP Outstanding (in Numbers)	**Nil**	Nil	**Nil**	Nil

* Since Dividend in current & previous year is Nil hence not shown in above statement.

2.31 Earnings per share

₹ In Crores (other than No. of Shares & EPS)

Particulars		Year ended March 31, 2014	Year ended March 31, 2013
BASIC EARNINGS PER SHARE			
Numerator for basic earnings per share			
Profit before Tax & extra–ordinary & prior period items		**(480.94)**	(551.50)
Cumulative Preference Dividend payable to CNIL		**(0.10)**	(0.03)
Provision for Income Tax, Deferred Tax & FBT		**29.25**	(3.26)
Minority Interest		**0.34**	0.13
Share of Profit / (Loss) in associates		**(24.89)**	0.30
Net Profit after Tax & Prior period item	(a)	**(535.52)**	(554.37)
Extra–ordinary items	(b)	**26.65**	Nil
Net Profit after Tax,Prior period & Extra–ordinary item	(c)	**(562.17)**	(554.37)
Denominator for basic earnings per share –			
Weighted average number of shares	(d)	**157,293,994**	144,329,027
Basic / Diluted earnings per share before extra–ordinary items	e = (a) / (d)	**(34.05)**	(37.96)
Basic / Diluted earnings per share after extra–ordinary items	f = (c) / (d)	**(34.05)**	(37.96)

2.31.1 The conversion option available to holders of 0.01% Non–Participative Optionally Convertible Cumulative Preference Share (OCPS) has lapsed during the year. For the previous year the effect of shares arising on account of conversion option available is not considered in calculation of diluted EPS since the same is anti–dilutive.

2.32 SEGMENT INFORMATION

In terms of Accounting Standard 17 on Segment Reporting, the Company has two reporting segments i.e. Network Services & Power Management.

Geographical revenues are segregated based on the location of the respective clients. USA includes specific billing in 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.

₹ in Crores

Particulars	2013–2014	2012–2013
Segment Revenue		
1. Network Services	**1,534.06**	1,572.59
2. Power Management	**1,098.98**	1,028.73
Total Segment Revenue	**2,633.04**	2,601.32
Segment Results (Profit Before Interest And Tax)		
1. Network Services	**103.69**	12.00
2. Power Management	**(68.19)**	(12.07)
Sub–Total	**35.50**	(0.07)
Less: Interest Expenses (Net–off Interest Income)	**582.68**	566.78

₹ in Crores

Particulars	2013–2014	2012–2013
Less: Un–allocable Corporate Expenditure net of income	**(46.85)**	(15.35)
Profit / (Loss) before Tax	**(500.34)**	(551.50)
Capital Employed (Segment Assets Less Segment Liabilities)		
1. Network Services	**3,172.72**	4,140.63
2. Power Management	**262.03**	107.45
Total Capital Employed in the segments	**3,434.75**	4,248.09
Un–allocable Corporate Assets Less Liabilities.		
– Investments	**3,244.82**	2,346.05
– Other Than Investment	**551.58**	870.61
Total Capital Employed	**7,231.15**	7,464.74

Notes:

i. Segments have been identified in accordance with Accounting Standard (AS) 17 on Segment Reporting, considering risk / return profiles of the business, their organizational structure and the internal reporting system.

ii. Segment Definition: Network Services comprises of Network Planning & Design, Network Deployment, Professional Services, Energy Management, Operational and Maintenance and Infrastructure Management. “Power Management” comprises Power Project – EPC and Power Distribution Franchise.

iii. Segment Revenue comprises of sales and services and operational income allocable specifically to a segment. Un–allocable expenditure mainly includes expenses incurred on common services provided to segments and other corporate expenses.

Geographical Segment

₹ in Crores

Particulars	USA	Asia / Europe	Middle East	Others	Total
Sales & Services (Apr’13 to Mar 14)	124.89	2,442.04	53.46	12.65	2,633.04
Sales & Services (Apr’12 to Mar 13)	121.81	2,385.39	64.13	29.99	2,601.32

DETAILS OF ROUNDED OFF AMOUNTS

The financial statements are presented in ₹ in Crores. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest ₹ Cr. are as follows:

Note	Description	As at March 31, 2014	As at March 31, 2013
2.2	Reserves and Surplus		
	– Capital Reserve	**7,725**	7,725
2.11	Non–Current Investment		
	The Shamrao Vithal Co–op Bank Ltd	**Nil**	625

2.33 GOING CONCERN

The Company's business activities comprises of two segments viz "Network Services" and "Power Management". During the last few years, the telecom industry has been adversely affected by the general economic slowdown, forcing the operators to substantially curtail capex on rollout of towers. This has an adverse impact on company's revenue from Network Deployment, Operation and Energy Management and other Network services and consequentially operating margins and cash flow from this segment.

In Power sector, increase in energy cost by Genco's without commensurate revision in energy price to consumers has adversely affected profitability of Power Management. Coupled with this Company's inability to incur sufficient capex could not result in achieving desired efficiency and thereby further affecting operating margins and cash flow of said segment.

In view of the above, Company has incurred Cash losses which has resulted in substantial erosion of the Company's net worth.

The Company is taking various measures such as cost optimisation, renegotiation of contracts with the customers, improving operating efficiency, capex to reduce distribution losses in Power distribution franchises so as to improve Company's operating margins and cash flows. The management believes that these measures together with expected growth in Telecom sector and overall turnaround in economy will have positive impact on the Company's business operations and will generate improved margins and cash flows. In view of above, the Company continues to prepare its financial statements on going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

2.34 The Previous period figures, wherever necessary, have been regrouped / rearranged / recast to make them comparable with those of the current year.

2.35 Figures in brackets relate to the previous period unless otherwise stated.

As per our report of even date

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

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

M.V. Bhave
Partner
Membership No. 38812

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

S.S.Yeolekar
Partner
Membership No. 36398

Arun Prabhu Khanolkar
Whole–time Director

Vijay Vij
Director

Milind Bapat
Chief Financial Officer

Vidyadhar Apte
Company Secretary

Place : Mumbai
Date : May 20, 2014

SECTION 212(8) COMPANIES ACT, 1956 FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2014
ALL FIGURES ARE IN THE FUNCTIONAL CURRENCY STATED AGAINST THE COMPANY

Sr. No.	Name of the Susbsidary Company	Curr.	Capital	Reserves	Total Liabilities	Total Assets	Details of Invesment	Turnover	PBT	Provision for Tax	Profit after Tax	Proposed dividend, If any
A	International Global Tele–Systems Ltd.	US$	71,762,615	54,115,826	181,296,310	181,296,310	20,000,000	NIL	(4,336,929)	NIL	(4,336,929)	NIL
B	GTL International Ltd.	US$	8,000,000	30,977,920	106,273,042	106,273,042	NIL	2,193,002	(6,082,460)	NIL	(6,082,460)	NIL
B.1	GTL (Singapore) Pte Ltd.	US$	300,883	4,521,129	5,160,520	5,160,520	NIL	74,545	927,812	NIL	927,812	NIL
B.2	GTL Saudi Arabia Company Ltd.	SAR	2,000,000	136,589	27,533,403	27,533,403	NIL	16,150,827	(2,015,537)	NIL	(2,015,537)	NIL
B.3	GTL Overseas (Middle East) FZ–LLC	AED	500,000	50,410,729	57,245,199	57,245,199	NIL	14,696,516	(1,535,414)	439,706	(1,975,120)	NIL
B.4	GTL International Nigeria Ltd.	US$	78,125	(1,298,010)	1,644,066	1,644,066	NIL	553,859	(643,148)	10,000	(653,148)	NIL
B.5	Pt. GTL Indonesia	IDR	1,576,075,000	(58,269,760,190)	10,010,516,903	10,010,516,903	NIL	15,376,512,951	10,315,242,326	868,054,592	9,447,187,734	NIL
B.6	GTL Europe Ltd.	GBP	500,000	48,809	3,334,543	3,334,543	NIL	7,662,421	75,590	NIL	75,590	NIL
B.7	GTL Telecommunications Ireland Ltd. @	EUR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B.8	GTL Network Services Malaysia Sdn. Bhd.*	MYR	680,471	43,127,400	54,639,362	54,639,362	NIL	NIL	NIL	NIL	NIL	NIL
B.9	IGTL Network Services Philippines Inc.	Peso	504,300	4,486,993	26,499,436	26,499,436	NIL	70,431,882	4,040,336	2,877,730	1,162,606	NIL
B.10	GTL China Corporation Ltd.	RMB	1,241,505	(957,536)	107,813	107,813	NIL	125,360	(716,042)	NIL	(716,042)	NIL
B.11	GTL Taiwan Co. Ltd.*	NTD	5,000,000	(29,539,133)	143,035,685	143,035,685	NIL	NIL	64,154	NIL	64,154	NIL
B.12	GTL (USA) Inc.	US$	3,100,100	(6,044,570)	10,734,021	10,734,021	NIL	20,651,179	(2,100,687)	(641,535)	(1,459,152)	NIL
B.13	GTL International Lanka (Pvt.) Ltd.	SLR	4,850,000	(375,595,821)	105,825,971	105,825,971	NIL	180,322,251	(68,307,392)	NIL	(68,307,392)	NIL
B.14	GTL International Bangladesh Pvt. Ltd.	BDT	3,570,000	(56,580,602)	188,531,223	188,531,223	NIL	122,227,246	(48,922,029)	1,056,763	(49,978,792)	NIL
B.15	GTL Kenya Ltd.	KES	100,000	36,056,093	157,513,221	157,513,221	NIL	165,053,265	11,977,841	6,376,883	5,600,958	NIL
B.16	GTL Tanzania Ltd.	TSH	1,000,000	91,376,675	125,644,801	125,644,801	NIL	192,876,136	36,367,697	28,906,696	7,461,001	NIL
B.17	GTL (Canada) Inc.	CAD	100	164,487	493,473	493,473	NIL	553,270	66,937	15,517	51,420	NIL
B.18	GTL Nepal Pvt. Ltd.	NPR	19,453,000	223,798,134	563,576,483	563,576,483	NIL	830,809,580	173,956,132	50,033,204	123,922,928	130,000,000
B.19	GTL Network Services SA (Pty) Ltd.	ZAR	100	(1,613,760)	5,242,217	5,242,217	NIL	17,021,287	(4,708,440)	(1,317,165)	(3,391,275)	NIL
C	ADA Cellworks Wireless Engineering Pvt. Ltd.	INR	900,000	237,641,327	253,037,703	253,037,703	NIL	NIL	2,390,107	(1,260,794)	1,129,313	NIL

@ The company was closed in Apr'2014

* These Numbers are based on management accounts since there are no opration during the year

SECTION 212(8) COMPANIES ACT, 1956 FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2014
ALL FIGURES ARE IN INDIAN RUPEES

No.	Name of the Susbsidary Company	Curr.	Capital	Reserves	Total Liabilities	Total Assets	Details of Invesment	Turnover	PBT	Provision for Tax	Profit after Tax	Business Description
A	International Global Tele–Systems Ltd.	US$	4,401,559,991	3,319,194,188	11,119,809,174	11,119,809,174	1,226,700,000	NIL	(268,425,547)	NIL	(268,425,547)	NIL
B	GTL International Ltd.	US$	490,680,000	1,900,030,723	6,518,257,031	6,518,257,031	NIL	135,731,473	(376,461,697)	NIL	(376,461,697)	NIL
B.1	GTL (Singapore) Pte Ltd.	US$	18,454,659	277,303,447	316,520,494	316,520,494	NIL	4,613,814	57,425,068	NIL	57,425,068	NIL
B.2	GTL Saudi Arabia Company Ltd.	SAR	32,712,000	2,234,050	450,336,339	450,336,339	NIL	266,566,169	(33,266,035)	NIL	(33,266,035)	NIL
B.3	GTL Overseas (Middle East) FZ–LLC	AED	8,402,055	847,107,415	961,954,597	961,954,597	NIL	249,208,620	(26,035,994)	7,456,089	(33,492,083)	NIL
B.4	GTL International Nigeria Ltd.	US$	4,791,797	(79,613,443)	100,838,788	100,838,788	NIL	34,279,995	(39,806,359)	618,930	(40,425,289)	NIL
B.5	Pt. GTL Indonesia	IDR	8,037,650	(297,163,469)	51,051,522	51,051,522	NIL	85,969,201	57,671,927	4,853,243	52,818,684	NIL
B.6	GTL Europe Ltd.	GBP	42,629,405	4,161,397	284,299,168	284,299,168	NIL	641,108,076	6,324,549	NIL	6,324,549	NIL
B.8	GTL Telecommunications Ireland Ltd.*	EUR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B.9	GTL Network Services Malaysia Sdn. Bhd.	MYR	2,239,634	141,945,211	179,834,533	179,834,533	NIL	NIL	NIL	NIL	NIL	NIL
B.10	IGTL Network Services Philippines Inc.	Peso	698,620	6,215,945	36,710,339	36,710,339	NIL	98,458,728	5,648,100	4,022,860	1,625,240	NIL
B.11	GTL China Corporation Ltd.	RMB	7,822,847	(6,033,532)	679,343	679,343	NIL	789,392	(4,508,915)	NIL	(4,508,915)	NIL
B.13	GTL Taiwan Co. Ltd.	NTD	10,222,500	(60,392,757)	292,436,458	292,436,458	NIL	NIL	NIL	NIL	NIL	NIL
B.15	GTL USA Inc.	US$	190,144,634	(370,743,701)	658,371,178	658,371,178	NIL	1,278,163,422	(130,017,820)	(39,706,526)	(90,311,295)	NIL
B.16	GTL International Lanka (Private) Ltd.	SLR	2,470,060	(191,287,439)	53,896,177	53,896,177	NIL	91,812,758	(34,779,347)	NIL	(34,779,347)	NIL
B.17	GTL International Bangladesh Pvt. Ltd.	BDT	2,855,544	(45,257,250)	150,800,884	150,800,884	NIL	98,655,611	(39,487,372)	852,965	(40,340,337)	NIL
B.18	GTL Kenya Ltd.	KES	72,443	26,120,074	114,107,121	114,107,121	NIL	120,657,138	8,756,034	4,661,625	4,094,409	NIL
B.19	GTL Tanzania Ltd.	TSH	38,943	3,558,469	4,892,968	4,892,968	NIL	7,579,481	1,429,147	1,135,951	293,196	NIL
B.21	GTL Canada Inc.	CAD	5,821	9,575,150	28,726,149	28,726,149	NIL	31,916,708	3,861,421	895,135	2,966,286	NIL
B.22	GTL Nepal Pvt. Ltd.	NPR	12,183,849	140,169,782	352,980,569	352,980,569	NIL	525,088,609	109,943,825	31,622,006	78,321,819	82,162,653
B.23	GTL Network Services SA	ZAR	585	(9,437,629)	30,657,657	30,657,657	NIL	100,449,905	(27,786,521)	(7,773,155)	(20,013,366)	NIL
C	ADA Cellworks Wireless Engineering Pvt. Ltd.	INR	900,000	237,641,327	253,037,703	253,037,703	NIL	NIL	2,390,107	(1,260,794)	1,129,313	NIL

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of GTL Limited will be held on Tuesday, September 16, 2014 at 11:00 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai 400 703, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at March 31, 2014, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary resolution:**

   "RESOLVED that M/s. Godbole Bhave & Co., Chartered Accountants, Mumbai (Firm Registration No.114445W) and M/s. Yeolekar & Associates, Chartered Accountants, Mumbai (Firm Registration No. 102489W) be and are hereby appointed as Joint Auditors of the Company to hold office from conclusion of this (26th) Annual General Meeting, till conclusion of the Twenty Ninth (29th) Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification and re–enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vijay M. Vij (DIN: 02245470), a non–executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed an Independent Director of the Company with effect from September 16, 2014 up to September 15, 2019 and that he shall not be liable to retire by rotation."

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification and re–enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. D. S. Gunasingh (DIN: 02081210), a non–executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed an Independent Director of the Company with effect from September 16, 2014 up to September 15, 2019 and that he shall not be liable to retire by rotation."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification and re–enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Prof. Shamkant B. Navathe (DIN: 00584567), a non–executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed an Independent Director of the Company with effect from September 16, 2014 up to September 15, 2015 and that he shall not be liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification and re–enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Navin J. Kripalani (DIN: 05159768), a non–executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed an Independent Director of the Company with effect from September 16, 2014 up to September 15, 2019 and that he shall not be liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED that** Mr. Hemant S. Desai (DIN: 00740157), Director of the Company, who retires by rotation and does not seek re–appointment, be not re–appointed as Director and the resultant vacancy be not filled up for the time being."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED that** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (Including any statutory modification or re–enactment thereof, for the time being in force), M/s. V. G. Phadke & Co. (Membership No. 3699) Cost Accountants, Mumbai the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take all such steps as may be considered necessary or expedient for giving effect to this resolution."

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED that,** further to the Ordinary Resolution passed by the shareholders of the Company through Postal Ballot on March 22, 2012 in accordance with the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the erstwhile Companies Act, 1956, pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 (the Act) and subject to the consent of CDR / other Lenders, as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time with or without security and upon such terms and conditions as they may think fit notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid–up capital of the Company and its free reserves, that is to say, free reserves as defined in the Act, provided however, that the total amount so borrowed by the Board of Directors shall not at any time exceed the sum of ₹ 7,000 Cr. (Rupees Seven Thousand Crore only) or equivalent amount in any other foreign currency, borrowed and to be borrowed from Indian / Foreign Banks / Financial Institutions/ Mutual Funds / Development Agencies / CDR Lenders / NCD holders / ECB Lenders and/or other entities."

10. To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED that** pursuant to Sections 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013, including the rules made there under and any amendments, statutory modification and / or re–enactment thereof for the time being in force (the "Act"), all other applicable laws and regulations including the Foreign Exchange Management Act, 1999 ("FEMA"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 including any statutory modifications or re–enactment thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and modified from time to time and such other statues, notifications, clarifications, circulars, rules and regulations as may be applicable, as amended from time to time, issued by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), Stock Exchanges, the Securities and Exchange Board of India ("SEBI") including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") and any other appropriate authorities, as may be applicable and in accordance with the enabling provisions in the Memorandum and Articles of Association of the Company and / or stipulated in the Listing Agreements entered into by the Company with the Stock Exchanges where the Equity Shares / Securities of the Company are listed and subject to such approvals, consents, permissions and sanctions, as my be required, of the GOI, SEBI, RBI, Stock Exchanges, CDR / other Lenders and any other relevant statutory / governmental authorities (the "concerned Authorities") as may be required and applicable and further subject to such terms and conditions as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, consents, permissions and sanctions as may be necessary, which may be agreed to by the Board of Directors of the Company [hereinafter referred to as the "Board", which term shall include any Committee(s) constituted / to be constituted by the Board to exercise the powers conferred on the Board by this Resolution], the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and / or competitive basis, of such part of issue and for such categories of persons as may be permitted), Equity Shares and / or Equity Shares through depository receipts including American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and / or Foreign Currency Convertible Bonds (FCCBs), Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), and / or other securities convertible into Equity Shares at a later date, at the option of the Company and / or the holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (collectively referred as "Securities"), as the Board in its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public or private offerings in domestic and / or one or more international market(s), with or without a green shoe option, or issued / allotted through Qualified Institutions Placement in accordance with the SEBI Regulations, or by any one or more combinations of the above or otherwise and at such time or times and in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible investors, including residents and / or non–residents and / or qualified institutional buyers and / or institutions / banks and / or incorporated bodies and / or individuals and / or trustees and / or stabilizing agent or otherwise, whether or not such Investors are members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹ 4,000 Cr. (Rupees Four Thousand Crore Only) on such terms and conditions and in such manner as the Board may in its sole discretion decide including the timing of the issue(s) / offering(s), the Investors to whom the Securities are to be issued, terms of issue, issue price, number of Securities to be issued, the Stock Exchanges on which such securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received including details on face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the ratio / number of Equity Shares to be allotted on redemption / conversion, period of conversion, fixing of record date or book closure dates etc., as the case may be applicable, prescribe any terms or a combination of terms in respect of the Securities in accordance with local and / or international practices including conditions in relation to offer, early redemption of Securities, debt service payments, voting rights, variation of price and all such terms as are provided in domestic and / or international offerings and any other matter in connection with, or incidental to the issue, in consultation with the merchant bankers or other advisors or otherwise, together with any amendments or modifications thereto ("the Issue").

RESOLVED FURTHER that the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the Equity Shares to be allotted in terms of this resolution shall rank pari–passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER that if the issue or any part thereof is made for a QIP, FCDs, PCDs, OCDs or any other Securities, which are convertible into or exchangeable with the Equity Shares of the Company (hereinafter collectively referred as "Other Specified Securities" and together with Equity Shares of the Company referred as "Specified Securities" within the meaning of the SEBI Regulations) or any combination of Specified Securities as may be decided by the Board, issued for such purpose shall be fully paid–up and the allotment of such Specified Securities shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI Regulations and the Specified Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized Stock Exchange, or as may be permitted from time to time under the SEBI Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

RESOLVED FURTHER that in the event of issue of Specified Securities by way of a QIP, the 'Relevant Date' on the basis of which the price of the Specified Securities shall be determined as specified under SEBI Regulations, shall be the date of the meeting in which the Board decides to open the proposed issue of Specified Securities or such other time as may be decided by the Board and as permitted by the SEBI Regulations, subject to any relevant provisions of applicable laws, rules and regulations as amended from time to time, in relation to the proposed issue of the Specified Securities.

RESOLVED FURTHER that in the event the Securities are proposed to be issued as American Depository Receipts ("ADRs") or Global Depository Receipts ("GDRs"), pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Equity Shares to be issued pursuant to such issue shall be the date of the meeting in which the Board decides to open such issue after the date of this resolution.

RESOLVED FURTHER that in the event of issue of Other Specified Securities, the number of Equity Shares and / or conversion price in relation to Equity Shares that may be issued and allotted on conversion shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring exercise.

RESOLVED FURTHER that without prejudice to the generality of the above, the aforesaid issue of Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevalent market practices in the capital markets including but not limited to the terms and conditions relating to variation of the price or period of conversion of Other Specified Securities into Equity Shares or for issue of additional Securities and such of these Securities to be issued, if not subscribed, may be disposed of by the Board, in such manner and / or on such terms including offering or placing them with banks / financial institutions / mutual funds or otherwise, as the Board may deem fit and proper in its absolute discretion, subject to applicable laws, rules and regulations.

RESOLVED FURTHER that for the purpose of giving effect to the above resolution and any issue, offer and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds, matters and things connected therewith, as it may, in its absolute discretion deem necessary, desirable or incidental thereto including without limitation the determination of terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, the entering into and executing arrangements / agreements for managing, underwriting, marketing, listing of Securities, trading, appointment of Merchant Banker(s), Advisor(s), Registrar(s), paying and conversion agent(s) and any other advisors, professionals, intermediaries and all such agencies as may be involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions whether in India or abroad, for the issue and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to prospectus and / or letter of offer and / or circular, documents and agreements including conducting all requisite filings with GOI, RBI, SEBI, Stock Exchanges, if required and any other concerned authority in India or outside, and to give such directions that may be necessary in regard to or in connection with any such issue, offer and allotment of Securities and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit, without being required to seek any further consent or approval of the members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, and accordingly any such action, decision or direction of the Board shall be binding on all the Members of the Company, provided however, that the proceeds received, if any, by the Company will be utilized to repay CDR Lenders, NCD holders, ECB Lenders, other Creditors, wages / dues of employees, statutory dues and primarily to cut debt of the Company.

RESOLVED FURTHER that for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and / or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company for giving effect to the aforesaid resolution and thereby such Committee of Directors or one or more such Directors, as authorized, are empowered to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modifications as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in this regard."

By Order of the Board of Directors,

Place: Mumbai — **Vidyadhar A. Apte**
Date: May 20, 2014 — **Company Secretary**

Registered Office:
"Global Vision", Electronic Sadan No. II,
M.I.D.C., T.T.C. Industrial Area, Mahape,
Navi Mumbai – 400 710, Maharashtra, India.
Tel: +91 22 2761 2929; Extn: 2232–2235
Fax: +91 22 2768 0171.
E–mail: gtlshares@gtllimited.com
Website: www.gtllimited.com
CIN: L40300MH1987PLC045657

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights:

   Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

   The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions / authority, as applicable.

2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of businesses under Item Nos. 3 to 10 to be transacted at the 26th Annual General Meeting is annexed hereto.

4. The Register of Members and Share Transfer Books of the Company will be closed on Friday, September 12, 2014 for the purpose of Annual General Meeting.

5. Pursuant to the provisions of Section 205A of the erstwhile Companies Act, 1956, the Company has transferred unclaimed dividends up to the FY 2005–06 to the Central Government. Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, all unclaimed dividends for the FY 2006–07 will be transferred to the Investor Education and

Protection Fund (IEPF) in July 2014. The Company has sent reminders to shareholders who have not claimed Dividend for FY 2006–07 or the same is still unpaid and issued Demand Drafts / Pay Orders to such shareholders who have responded.

Please refer to 'Unpaid / Unclaimed Dividends' in the Corporate Governance Report forming part of the Annual Report, for the due dates of transfer of unclaimed dividends to the IEPF.

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid & unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the said details as of September 17, 2013 (date of last AGM) on the website of the Company as also on the website of the Ministry of Corporate Affairs.

6. Members holding shares in physical form are requested to notify, immediately, any change in their address or bank details, email address or changes therein to the Company at its 'Investor Service Centre', "Global Vision", Electronic Sadan–II, M.I.D.C., T.T.C. Industrial Area, Mahape, Navi Mumbai – 400 710. Members holding shares in electronic form should update such details directly with their respective Depository Participants.

7. All documents referred to in the above Notice and the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the Annual General Meeting.

8. The Company's Equity Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and its privately placed Rated Redeemable Unsecured Rupee Non Convertible Debentures (NCDs) are listed with BSE under the Debt Segment. Further, the Listing Fees in respect of shares and NCDs of the Company have been paid to BSE and NSE for the Financial Year 2013–14.

9. Members are requested to forward their queries on Annual Accounts or other Sections of the Annual Report to the Company Secretary at least 10 days in advance for enabling it to furnish appropriate details.

10. In order to minimize paper cost / work, we request shareholders / investors to forward their queries pertaining to Annual Accounts and other Sections of Annual Report by e–mail to gtlshares@gtllimited.com

11. Members are requested to bring their copy of the Annual Report to the Meeting.

12. In keeping with the Ministry of Corporate Affairs 'Green Initiative" in April 2011 by allowing paperless compliances by companies through electronic mode and also in keeping with the provisions of the Companies Act, 2013, the Listing Agreement with Stock Exchanges, for the purpose of sending Notices and other documents to its members through electronic mode to the email address furnished to the Company / Depositories, Members who have so far not provided their email addresses to the Company (for holdings in physical form) or the Depositories (for holdings in electronic form) are requested to provide the same to the Company / Depository Participant respectively, in support of this initiative and for savings on paper / printing & postage. Members are further requested to note that they shall be entitled to be furnished free of cost with a physical copy of such documents sent by email upon receipt of a requisition from such members.

13. **Voting through electronic means (EVSN 140804006):**

In compliance with the provisions of Section 108 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e–voting facility as an option to all the Members of the Company to exercise their right to vote at the 26th Annual General Meeting (AGM). The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating the e–voting.

The Company is issuing simultaneously, the Notice for the 26th Annual General Meeting (AGM) as well as Notice of Postal Ballot; both dated May 20, 2014 in the same cover along with the Annual Report for 2013–14. As e–voting is applicable in both the events viz. AGM and Postal Ballot, the Members are requested to refer to the "Sequence No." printed on the Postal Ballot Form for e–voting.

The procedure in detail is explained as under:

i. The voting period begins on Wednesday, September 10, 2014 at 09:00 AM and ends on Friday, September 12, 2014 at 06:00 PM. During this period shareholders of the Company, holding shares, either in physical form or in dematerialized form, as on the cut–off date (record date) of Friday, August 8, 2014, may cast their vote electronically. The e–voting module shall be disabled by CDSL for voting thereafter.

   - Open your web browser during the voting period & log on to the e–Voting website www.evotingindia.com

ii Click on the "Shareholders" tab and now enter your User ID (Member ID):

   - For CDSL: 16 digits beneficiary ID – Example: 1234567812345678
   - For NSDL: 8 characters DP ID followed by 8 digits Client ID – Example: IN30000112345678
   - Members holding shares in physical form should enter Folio Number registered with the Company which is typically all numeric (upto 7 digits) or alpha–numeric (upto 7 characters) Example: 0123456, A001011

iii. Next enter the Image Verification as displayed and Click on Login.

iv. If you are holding shares in demat form and had logged on to www.evotingindia.com and have earlier voted in e–voting for any other company, then your existing password can be used. If you have forgotten the password, refer Point No.'xiv' below.

v. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form		
PAN	:	Enter your 10 digit alpha–numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number (printed on the accompanying Postal Ballot form) in the PAN field. In case the Sequence Number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Example: If your name is Ramesh Kumar with Sequence Number 0000001 then enter RA00000001 in the PAN field.
DOB	:	Enter your Date of Birth as recorded in your Demat Account or with the Company records for the said demat account or folio in dd/mm/yyyy format.
		OR
Dividend Bank Details	:	Enter the Dividend Bank Details as recorded in your demat account or in the company records.
• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank Details field.		

After entering these details appropriately, click on "SUBMIT".

vi. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e–voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vii. For Members holding shares in physical form, the details can be used only for e–voting on the resolutions contained in this Notice.

viii. Click on the **EVSN** of "GTL Limited" which is **140804006.**

ix. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

x. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xi. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. Further, the members who have cast their vote electronically shall not be allowed to vote again at the meeting.

xiii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xiv. If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xv. Note for Non–individual Shareholders and Custodians

- Non–individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to https://www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xvi. In case you have any queries or issues regarding e–voting, you may refer the Frequently Asked

Questions ("FAQs") and e–voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or gtlshares@gtllimited.com.

14. The Company has appointed Mr. Virendra G. Bhatt, a practicing Company Secretary, as the Scrutinizer for conducting the entire e–voting process in a fair and transparent manner.

15. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e–voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman & Managing Director / the Whole–time Director of the Company.

16. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

17. The results declared along with the Scrutinizer's Report will be hosted on the Company's website at www.gtllimited.com and on CDSL's website within 2 (two) days of the meeting, for information of the Members, besides being communicated to the Stock Exchanges on which the shares of the Company are listed.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item Nos. 3, 4, 5 & 6

Pursuant to the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges where the Company's equity shares are listed, the Company had appointed Mr. Vijay M. Vij, Mr. D. S. Gunasingh, Prof. Shamkant B. Navathe and Mr. Navin J. Kripalani, as Independent Directors at various times, in compliance with the requirements of the Clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (the Act) that has come into effect from April 1, 2014, every listed company is required to have at least 1/3rd of the total number of directors as Independent Directors, who are not liable to retire by rotation.

The Nomination and Remuneration Committee has recommended the appointment of these directors as Independent Directors from the date of the ensuing Annual General Meeting viz. September 16, 2014 up to September 15, 2019 (except for Prof. Shamkant B. Navathe, who retires in September 2015 in accordance with the retirement age policy for Directors of the Company).

Mr. Vijay M. Vij, Mr. D. S. Gunasingh, Prof. Shamkant B. Navathe and Mr. Navin J. Kripalani, Non–Executive Directors of the Company have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and they are independent of the management.

Brief resumes of the above directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter–se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

The terms and conditions of appointment of the above Directors are available for inspection by members at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10:00 a.m. and 12:30 p.m. up to the date of the Annual General Meeting.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Vijay M. Vij, Mr. D. S. Gunasingh, Prof. Shamkant B. Navathe and Mr. Navin J. Kripalani are concerned or interested in the resolutions set out respectively at Item Nos. 3 to 6 of the Notice with regard to their respective appointments.

The Board commends the Ordinary Resolutions set out at Item Nos. 3 to 6 of the Notice for approval by the shareholders.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in these Resolutions.

Item No. 7

Mr. Hemant S. Desai, a Director of the Company retires by rotation at the ensuing Annual General meeting. He has conveyed that due to ill health, he did not opt for re–appointment as a Director of the Company at the ensuing Annual General Meeting.

The Board places on record its deep appreciation and respect for the valuable advice and guidance received during his tenure as a Director of the Company.

The Board commends passing of the Resolution as set out at Item No. 7 of the accompanying notice.

Except Mr. Hemant S. Desai, none of the Directors / Key Managerial Personnel of the Company and their Relatives is concerned or interested, financially or otherwise, in the passing of the Resolution.

Item No. 8

On the recommendation of Audit Committee, the Board of Directors of the Company in its meeting held on May 20, 2014 has approved the appointment and remuneration of M/s. V. G. Phadke, Cost Accountants, Mumbai to conduct the cost audit of the cost records of the Company for its activities as may be prescribed for the financial year ending March 31, 2015 at a remuneration of ₹ 4.50 Lac plus reimbursement of out of pocket expenses and Service Tax as applicable.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the accompanying Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

The Board commends passing of the Resolution as set out at Item No.8 of the accompanying Notice.

None of the Directors / Key Managerial Personnel of the Company and their Relatives is concerned or interested, financially or otherwise, in the passing of the Resolution.

Item No. 9

The Company already has approval of the shareholders of the Company under Section 293(1)(d) of the erstwhile Companies Act, 1956 whereupon the borrowing limit of the Company was set at ₹ 7,000 Cr.

Under Section 180 of the Companies Act, 2013 ("the Act"), notified as on September 12, 2013, the powers of the Board are required to be exercised only with the consent of the company by a Special Resolution. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolution passed under Sections 293(1)(d) of the erstwhile Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification of Section 180 of the Act.

The members are aware that the Company is currently under Corporate Debt Restructuring mechanism (CDR) wherein it has already borrowed monies from different sets of lenders and as such currently there is no fresh proposal for further borrowings except for an eventuality when the Company may contemplate bi–lateral / multi–lateral settlements, either one–time, negotiated or otherwise, with the Lenders, that may require raising alternative mode of finance at lower rates of interest, but within the existing limits of the borrowings. All actions will be taken with necessary consent from such lenders as may be applicable under the CDR process. The proceeds received, if any, by the Company will be utilized to repay CDR Lenders, NCD holders, ECB Lenders and other creditors.

Under Section 180 (1) (c) of the Companies Act, 2013, the Board of Directors cannot, except with the consent of the shareholders, borrow in excess of the aggregate of the share capital and free reserves of the Company. Presently, the Board of Directors is entitled to borrow up to ₹ 7,000 Cr. (Rupees Seven Thousand Crore only) or equivalent amount in any other foreign currency and thus it was thought appropriate for seeking approval of the shareholders for the same amount under the new provisions of Section 180 (1) (c) of the Companies Act, 2013.

The Board commends passing of the Resolution as set out in Item No. 9 of the accompanying Notice.

None of the Directors / Key Managerial Personnel of the Company and their Relatives is concerned or interested, financially or otherwise, in the passing of the Resolution.

Item No. 10

As a corrective measure, to overcome the CDR scenario, the Company is contemplating bi–lateral / multi–lateral settlements, either one–time, negotiated or otherwise, with the Lenders, that may also require either raising alternative mode of finance at lower rates of interest or tapping capital market for raising equity or debt, convertible or otherwise, at cheaper rates and replacing higher interest bearing domestic debts thereby reducing the debt and lowering the interest burden. All actions will be taken with necessary consent from such lenders as may be applicable under the CDR process. The proceeds received, if any, by the Company will be utilized to repay CDR Lenders, NCD holders, ECB Lenders and other creditors and other dues, as the case may be.

The proposed issue, offer and allotment of Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible Debentures and such other securities as stated in the resolution (the "Securities") at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering prevalent market conditions and other relevant factors and wherever necessary, in consultation with Merchant Bankers, Advisors, Underwriters etc., inclusive of such premium, as may be determined by the Board in one or more tranche(s), subject to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended (the "SEBI Regulations") and other applicable laws, rules and regulations.

The resolution enables the Board to issue securities for an aggregate sum not exceeding ₹ 4,000 Cr. or its equivalent in any foreign currency. The Board shall issue Securities pursuant to this special resolution to meet long term working capital and capital expenditure requirements of the Company and its subsidiaries, joint ventures and affiliates, including investment in subsidiaries (including overseas subsidiaries), joint ventures and affiliates, besides strengthening the Balance Sheet of the Company including repayment of debt, tap acquisition opportunities, usage for business ventures / projects and other general corporate purposes.

The special resolution also authorizes the Board of Directors of the Company to undertake a Qualified Institutions Placement with Qualified Institutional Buyers (QIBs) in the manner as prescribed under Chapter VIII of the SEBI Regulations for raising capital. The pricing of the Specified Securities to be issued to QIBs pursuant to the said SEBI Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the relevant provisions of the said SEBI Regulations.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Merchant Bankers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevalent market conditions from time to time and in accordance with the applicable provisions of law, rules and regulations and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue / allotment / conversion of Securities would be subject to the receipt of regulatory approvals, if any. Further the conversion of Securities held by foreign investors, into Equity Shares would be subject to the permissible foreign shareholding limits / cap specified by Reserve Bank of India from time to time.

Pursuant to the provisions of Section 41, 42, 62 and 71 of the Companies Act, 2013 ("the Act") including any rules made there under and any other provision of the Act, as may be applicable and the relevant provisions of the listing agreement with the stock exchanges and any other applicable laws, the issue of securities comprising equity shares, foreign currency convertible bonds, ADRs, GDRs, non–convertible debentures and / or issue of debentures on private placement, convertible debentures, etc, will require the prior approval of the Members by way of a Special Resolution.

The Special Resolution as set out in Item No. 10, if passed, will have the effect of permitting the Board to issue and allot Securities to Investors, who may or may not be existing members of the Company in the manner as set out in the said Resolution.

The Board commends passing of the Resolution as set out in Item No. 10 of the accompanying Notice.

None of the Directors / Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out in Item No. 10.

By Order of the Board of Directors,

Place: Mumbai
Date: May 20, 2014

Vidyadhar A. Apte
Company Secretary

Registered Office:
"Global Vision", Electronic Sadan No. II,
M.I.D.C., T.T.C. Industrial Area,
Mahape, Navi Mumbai – 400 710, Maharashtra, India.
Tel: +91 22 2761 2929 Extn: 2232–2235
Fax: +91 22 2768 0171.
E–mail: gtlshares@gtllimited.com
Website: www.gtllimited.com
CIN: L40300MH1987PLC045657

GTL LIMITED

Regd. Office: "Global Vision", Electronic Sadan–II, MIDC, TTC Indl. Area, Mahape,
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Tel: +91 22 2761 2929 **Extn**: 2232–2235 **Fax**: +91 22 2768 0171.
E–mail: gtlshares@gtllimited.com **Website**: www.gtllimited.com **CIN**: L40300MH1987PLC045657

ATTENDANCE SLIP

Folio No./ DP ID & Client ID : .... No. of Shares: ....

NAME AND ADDRESS OF THE MEMBER:

....

....

....

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

I certify that I am a registered member / proxy for the registered member of the Company.

I hereby record my presence at the Twenty Sixth Annual General Meeting of the Company being held on Tuesday, September 16, 2014 at 11.00 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai – 400 703.

....

Name of the attending Member/Proxy* Member's/Proxy's* Signature

GLOBAL Group Enterprise

* Strike out whichever is not applicable

GTL LIMITED

Regd. Office: "Global Vision", Electronic Sadan–II, MIDC, TTC Indl. Area, Mahape,
Navi Mumbai – 400 710, Maharashtra, India.
Tel: +91 22 2761 2929 **Extn**: 2232–2235 **Fax**: +91 22 2768 0171.
E–mail: gtlshares@gtllimited.com **Website**: www.gtllimited.com **CIN**: L40300MH1987PLC045657

FORM NO. MGT – 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): ....

Registered address: ....

E–mail Id: ....

Folio No / DP ID & Client Id: ....

I / We, being the member(s) holding .... shares of the above named Company, hereby appoint:

1. Name: ....
   Address: ....
   E–mail Id:.. , or failing him
2. Name: ....
   Address: ....
   E–mail Id:.. , or failing him
3. Name: ....
   Address: ....
   E–mail Id:..

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty Sixth Annual General Meeting of the Company, to be held on Tuesday, September 16, 2014 at 11.00 a.m. at Vishnudas Bhave Natyagruha, Sector 16–A, Vashi, Navi Mumbai – 400 703 and at any adjournment thereof in respect of such resolutions as are indicated below:

P.T.O.

Resolution Nos.:

1. Adoption of Financial Statements and the Reports of Board of Directors and Auditors as at March 31, 2014.
2. Appointment of M/s. Godbole Bhave & Co, Chartered Accountants and M/s. Yeolekar & Associates, Chartered Accountants as Joint Auditors and fixing their remuneration.
3. Appointment of Mr. Vijay Vij as an Independent Director.
4. Appointment of Mr. D. S. Gunasingh as an Independent Director.
5. Appointment of Prof. Shamkant B. Navathe as an Independent Director.
6. Appointment of Mr. Navin J. Kriplani as an Independent Director.
7. Not to fill the vacancy caused by retirement of Mr. Hemant S. Desai, Director.
8. Approval of remuneration being paid to M/s. V. G. Phadke & Co., Cost Accountants as Cost Auditor.
9. Approval to the Board of Directors to borrow a sum not exceeding ₹ 7000 Cr.
10. Authority to issue securities either through Public Issue or throgh Private Placement.

Affix a 15 paise Revenue Stamp

Signed this ……………… day of………………… 2014 ....

Signature of shareholder

.... Signature of first proxy holder

.... Signature of second proxy holder

.... Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

LIST OF BRANCHES IN INDIA

AURANGABAD
Plot No. T9,
STPI MIDC, Chikalthana,
Aurangabad – 431 210,
Maharashtra, India.

GURGAON
3rd Flr, PALM Court,
20/4, Sukhrali Chowk,
Gurgaon – 122 001,
Haryana, India.

MUMBAI
412, Janmabhoomi Chambers,
29, Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 038,
Maharashtra, India.

NAVI MUMBAI
“Global Vision”, ES–II, MIDC,
TTC Industrial Area,
Mahape, Navi Mumbai – 400 710,
Maharashtra, India.

PUNE
Survey No. 61, 2/7,
Plot No. 01, Off Salunke Vihar Road,
Opp. Oxford Village, Wanowarie,
Pune – 411 440, Maharashtra, India.

PUNE
Plot No. 32/33, Phase 1,
Rajiv Gandhi InfoTech Park,
Opp. Persistent Building, Hinjewadi,
Pune – 411 057, Maharashtra, India.

www.gtllimited.com

GTL

GLOBAL Group Enterprise

www.gtllimited.com

"Global Vision", Electronic Sadan–II, MIDC, TTC Industrial Area,
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