

GTL Limited

AUDITED FINANCIAL RESULTS
FOR THE PERIOD ENDED JUNE, 2007

Rs. in Crores.

Consolidated			Particulars	Stand Alone - Parent Company		
Quarter ended June ,30		Nine months Period ended March ,31		Quarter ended June ,30		Nine months Period ended March ,31
2007	2006	2007		2007	2006	2007
Audited	Unaudited	Audited		Audited	Unaudited	Audited
75.62	109.94	274.08	Net Sales & Services	4.56	12.31	40.25
331.70	118.40	651.35	- International	331.70	118.18	651.35
407.32	228.34	925.43	- Domestic	336.26	130.49	691.60
284.10	147.91	596.50	Total Net Sales & Services	241.11	86.11	458.04
27.08	24.15	105.71	Cost of Sales & Services	18.95	17.70	67.10
96.14	56.28	223.23	Gross Profit	76.20	26.68	166.46
13.13	9.08	33.64	Selling & Marketing Expenses	9.16	5.86	22.67
22.36	17.91	72.35	Administration Expenses	16.17	12.20	55.22
60.65	29.29	117.23	Operating Profit before Other Income , Interest and Depreciation (EBIDTA)	50.87	8.62	88.57
6.84	0.24	5.72	Interest (Net) and Finance Charges	6.52	(1.11)	5.01
11.44	9.63	30.85	Depreciation	11.15	9.48	29.96
NIL	28.92	NIL	Less : Reversal of Depreciation	NIL	28.92	NIL
42.37	48.34	80.66	Operating Profit before Other Income and Tax	33.20	29.17	53.60
(8.22)	16.82	(7.62)	Other Income (incl. Exchange Gain / (Loss) (Net))	(9.07)	14.41	(6.90)
34.15	65.16	73.04	Profit before Tax & Extra-ordinary Items	24.13	43.58	46.70
2.82	0.93	5.72	Provision for Tax	2.50	0.50	3.91
(1.22)	0.66	(1.79)	Deferred Tax	(1.18)	0.61	(1.92)
0.41	0.22	1.68	Fringe Benefit Tax	0.41	0.29	1.68
32.14	63.35	67.43	Net Profit after Tax	22.40	42.18	43.03
97.44	85.57	97.32	Paid-up Equity Share Capital	97.44	85.57	97.32
1,022.43	878.97	1,012.87	Reserves Excluding Revaluation Reserves	962.48	811.42	938.19
			EPS excluding extra-ordinary items - Basic (in Rs.)	2.30	5.28	4.62
			EPS excluding extra-ordinary items - Diluted (in Rs.)	2.19	4.64	4.43
			Aggregate of non-promoter shareholding			
			Number of shares	64,904,095	54,463,102	64,777,376
			Percentage of shareholding	66.61%	63.65%	66.56%

Place : Mumbai

Manoj Tirodkar

Date : July 24,2007

Chairman and Managing Director

Registered Office: "Global Vision", Electronic Sadan No. II, M. I. D. C., T. T. C. Industrial Area, Mahape, Tal. & Dist. Thane, Navi Mumbai - 400 710.

Notes to Accounts

The above audited results for the quarter ended June 2007 were taken on record by the Board of Directors in their meeting held on July 24, 2007.

Business for the Quarter

1. The Company continues to focus on single segment of Network Services. As part of Network Services the Company provides Network Design & Planning, Network Deployment, Network Operations & Maintenance, Infrastructure Management, Application Management & Professional Services to Telecom Operators & Original Equipment Manufacturers (OEMs) across 25 countries. The key financial highlights for the quarter are as stated below:

	Quarter ended		% Growth
	June 07 Rs. Crs.	June 06 Rs. Crs.	
Revenue	407.32	228.34	78.38
Gross Profit	96.15	56.28	70.84
Operating Profit	60.67	29.29	107.13
- Interest & Finance Charges	6.84	0.24	
- Net Depreciation Charges	11.44	(19.29)	
- Other Income	(8.22)	16.86	
Net Profit (After considering reversal of depreciation of Rs. 28.29 Crs. in the previous year)	32.16	63.35	-49.23

Although the Company registered 107% growth in the operating profits on Y-o-Y basis the Net Profits during the same period dropped by 49% on the following counts:

- ❖ Interest and finance charges for the quarter ended June 30, 2007 increased to Rs. 6.84 Crs as against Rs. 0.24 Crs in the corresponding quarter of the last financial year. The rise in Interest & Finance Charges is mainly on account of External Commercial Borrowing (ECB) raised by GTL Limited (GTL) in September 2006, to the extent of Rs. 687 Crs. to fund its growth plans through acquisitions.
- ❖ Depreciation charged for the quarter stood at Rs. 11.44 Crs as against a negative charge of Rs. 19.29 Crs in the Corresponding Quarter of last financial year on account of reversal of Depreciation of Rs.28.92 Crs as per the scheme of arrangement approved by Hon. High Court at Bombay vide its order dt.28th April, 2006.
- ❖ The Company incurred loss on Other Income to the extent of Rs. 8.22 Crs as against a gain of Rs. 16.82 Crs in the corresponding quarter previous year. This was mainly on account of strengthening of rupee against the US dollar and its impact on the Company's mark to market positions for overseas funds.

The Business outlook for the Company continues to remain strong

2. IT Services Hive-Off

On July 11, 2007, GTL Limited (GTL) sold off its Enterprise Network and Managed Services business to Orange Business Services, part of France telecom. The financial details of the hived off business for FY 2006-07 are as given below:

Particulars	Amount
Revenue	Rs. 140 Crs
No.of Employees	590 Plus

The gross level impact of this transaction on the cost structure is as follows

Particulars	Amount (in Rs. Crs)
Wagebill of Employees	24
Other Overheads	9
TOTAL	33

The company still retains the IT application management, BPO and KPO business and owns the assets related to the business. The Board of Directors has given the approval to hive this off into a separate 100% subsidiary. The company is planning to sell off/hive off this business.

3. The total manpower of the Company including Contract Employees as of June 30, 2007 stood at 3,503 as against 3,854 in the corresponding period ended June 30, 2006. The reduction in manpower is largely on account of the gradual downsizing BPO & IT Services Businesses.

As mentioned above, the Company has sold of its Enterprise Network Services and Managed Services business to Orange Business Services. As the part of the transaction 590 plus employees will be transferred to Orange Business Services upon fulfilling certain formalities

4. Details of expenses exceeding 10% of the total expenditure:

Particulars	Rs.Crs.					
	Consolidated			Standalone		
	Quarter ended		9 months Period ended	Quarter ended		9 months Period ended
	June 30, 2007	June 30, 2006	Mar 31, 2007	June 30, 2007	June 30, 2006	Mar 31, 2007
Staff Costs	36.06	33.81	134.58	24.45	26.33	85.34

Other Information

1. Share Capital

a. FCCB

1. Total unsecured liability arising out of outstanding FCCBs as on June 30, 2007 stands at Rs. 50.96 crs. The FCCB liability of the Company would be as under:

	No of FCCBs (of CHF 9029.13)	No of Equity Shares
Outstanding as on record date; viz. July 14,2006	4,757	17,223,027
Less: Conversion up to March 31, 2007	3,171	11,480,802
Less: Conversion during Apr-2007 to Jun-2007	35	126,719
Outstanding as on June 30, 2007	1,551	5,615,506

The Company expects substantial conversion of the outstanding FCCBs as the current price of its share is substantially higher than the conversion price of Rs. 93 per share.

b. ESOPs

No.of outstanding ESOPs as on April 2007	1,892,365
Less: No.of ESOPs Converted during the quarter	0
Less: Forfeited during the quarter	65,412
Add: New Grants Issued during the period	1,720,000
Total no.of outstanding ESOPs as on June 30, 2007	3,546,953

c. Buy Back

The company announced buy-back at Rs. 300 per share and has allocated Rs. 259 Crs for the same. The shareholders approved the buy back through postal ballots on 5th July, 2007. The company is in the process of complying with statutory requirements of making with public announcement and filing the draft letter of offer with SEBI.

The Company proposes to extinguish the Shares bought back by the way of tender offer. Accordingly, the Company's Share Capital will be reduced to the extent shares are tendered by the Shareholders. On approval of SEBI for buy-back and post successful completion of the same the fully diluted equity capital will be as stated below:

Equity Capital

	Rs. In Crs.
Equity Capital on June 30, 2007	97.44
Add : Full FCCB Conversion	5.61
Add : Full ESOP Conversion	3.54
Fully Diluted Equity Capital	106.59
Less: Buyback of Shares	8.60
Fully Diluted Equity Capital Post Buyback	97.99

2. Status of investor grievances for the quarter ended June 30, 2007:

No. of complaints			
Pending as at 01-April-2007	Received during the quarter	Disposed during the quarter	Lying unresolved as at 30-June -2007
Nil	04	04	Nil

3. The Company has considered minority interest of its investment in GTL Infrastructure Ltd as per AS 23 on "Accounting for Investment in Associates in Consolidated Financial Statements" based on last audited financial statement as at March 31, 2007.
4. The figures for the corresponding quarter of the previous year are regrouped / reclassified wherever necessary to make them comparable with that of the current quarter.

For GTL Limited

Date: July 24, 2007
Place: Mumbai

Manoj Tirodkar
Chairman and Managing Director