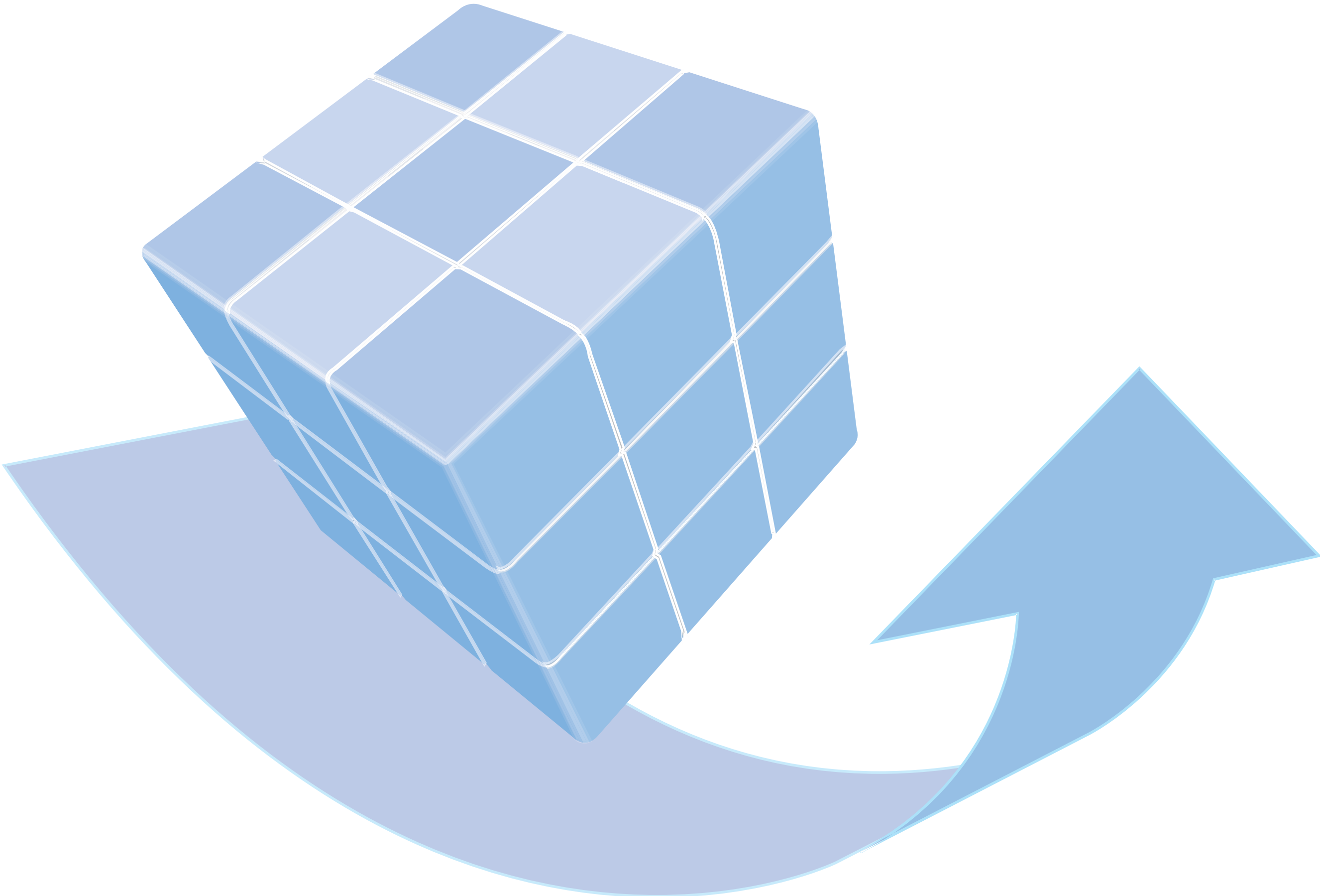
CONNECT BROADBAND

QUADRANT TELEVENTURES LIMITED

(formerly HFCL Infotel Limited)



67TH ANNUAL REPORT 2013-14

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Rahul Amarnath Sethi
Mr. Babu Mohanlal Panchal
Mr. Rajeev Kumar (Nominee of IDBI Bank)
Mr. Yatinder Vir Singh
Mr. Vinay Kumar Monga

COMPANY SECRETARY & MANAGER
Mr. Kapil Bhalla

CHIEF FINANCIAL OFFICER
Mr. Sunil Jit Singh

AUDITORS
M/s Khandelwal Jain & Co.
Chartered Accountants

INTERNAL AUDITORS
M/s Ernst & Young LLP

BANKS AND FINANCIAL INSTITUTIONS
IDBI Bank Ltd.
LIC of India
HDFC Bank Ltd
ICICI Bank Ltd.
ING Vyasa Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
State Bank of Patiala

REGISTERED OFFICE
Autocars Compound , Adalat Road
Aurangabad- 431 005 , Maharashtra

REGISTRAR & SHARE TRANSFER AGENTS
Cameo Corporate Services Ltd
Subramanium Building No.-1 , Club House Road,
Anna Salai, Chennai-600 002
Tel : 91-44-28460390-394
Fax : 91-44-28460129
E-mail : investor@cameoindia.com

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GO GREEN APPEAL TO SHAREHOLDERS

Dear Shareholder, if you are still receiving the physical copy of Annual Report, we request you to share your email address, so that Annual Report and other communications may be sent electronically. E-mail address may be communicated at **investor@cameoindia.com** or at **secretarial@infotelconnect.com.**

SAVE TREES SAVE EARTH

NOTICE

NOTICE is hereby given that the Sixty Seventh (67th) Annual General Meeting of Quadrant Televentures Limited (the "Company") will be held as scheduled below:

Day and Date : **Tuesday, September 30, 2014**

Time : **12.00 Noon**

Venue : **Registered Office at Autocars Compound, Adalat Road, Aurangabad - 431 005 (Maharashtra)**

to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the financial year ended March 31, 2014 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.

2. To re-appoint the Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Registration No. 105049W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 67th Annual General Meeting until the conclusion of the 72nd Annual General Meeting of the Company (subject however, to the ratification of such appointment by the members at every annual general meeting) at a remuneration to be decided by the Board of Directors on the recommendation of the Audit Committee, in addition to the re-imbursement of all out of pocket expenses incurred in connection with the audit of the Company."

Special Business:

3. To appoint Ms. Mitu Mehrotra Goel (DIN: 05188846) as a Director and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Ms. Mitu Mehrotra Goel (DIN: 05188846), in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose candidature of Ms. Mitu Mehrotra Goel for the office of Director of the Company, along with the requisite deposit as prescribed under Section 160 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

4. To appoint Mr. Rahul Amarnath Sethi (DIN-00216395) who retires by rotation at the forthcoming Annual General Meeting as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and such other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV of the Act, Mr. Rahul Amarnath Sethi (DIN-00216395), who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 160 of the Act, signifying his intention to propose Mr. Rahul Amarnath Sethi as a candidate for the office of Director of the Company be and is hereby appointed as an Independent Director to hold office upto a term of five consecutive years from the date of 67th Annual General Meeting, not liable to retire by rotation."

5. To appoint Mr. Babu Mohanlal Panchal (DIN-01806193) as an Independent Director at the forthcoming Annual General Meeting and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and such other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV of the Act, Mr. Babu Mohanlal Panchal (DIN-01806193), in respect of whom the Company has received a notice from a member under Section 160 of the Act, signifying his intention to propose the appointment of Mr. Babu Mohanlal Panchal as an Independent Director, be and is hereby appointed as an Independent Director to hold office upto a term of five consecutive years from the date of 67th Annual General Meeting, not liable to retire by rotation."

6. To consider and approve the remuneration to be paid to M/s Sanjay Gupta and Associates, Cost Auditors of the Company, and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT in terms of the provisions of Sections 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Audit Fees of Rs.1,00,000/- (Rupees One Lac Only) plus Service Tax, as approved by the Board of Directors on the recommendation of Audit Committee, for payment to M/s Sanjay Gupta and Associates, Cost Accountants, for the financial year ending March 31, 2015 be and is hereby approved and confirmed."

7. To re-appoint Mr. Kapil Bhalla as Manager of the Company in terms of the provisions of Section 196, 197 and 203 read with Schedule V of Companies Act 2013 and in this regard to consider and, if thought fit, to pass

the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approval / sanctions as may be required, the approval of shareholders be and is hereby accorded for the re-appointment of Mr. Kapil Bhalla as 'Manager' of the Company for a further period of three years w.e.f. January 31, 2015 to January 30, 2018 on the terms and conditions including remuneration subject to the limit of Rs. 30,00,000/- (Rupees Thirty Lacs Only) per annum with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and subject however that the remuneration shall not exceed the limits specified in Schedule V to the Act or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Manager's Remuneration may be reviewed and revised from time to time by the Board of Directors on the recommendation of Nomination & Remuneration Committee, as per Company Policy, within the overall limit of Rs. 30,00,000/- (Rupees Thirty Lacs only) per annum, including perks and allowances.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matter and things and take such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To approve the transaction with Related Party under Section 188 of the Companies Act, 2013 and in this regard to consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the shareholders of the Company be and is hereby accorded for the contract or arrangement entered into with Infotel Tower Infrastructure Private Limited - a wholly owned subsidiary Company (a Related Party as defined under Section 2(76) of the Act) to provide 'Manpower Outsourcing Services' to the Company and to renew the said contract for further period of three years with effect from January 1, 2015 on terms & conditions set out in the Statement annexed to the Notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter the terms & conditions or to extend the aforesaid Manpower Outsourcing Contract for a further period of three years after January 1, 2015 on such terms as the Board of Directors may deem fit, without any further approval of the Members for such extension."

9. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the section 14 and other applicable provisions, if any, of the Companies Act,2013 and Rules prescribed thereof (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for alteration of existing Articles of Association of the Company by deleting the existing set of Articles 1 to 191 (both inclusive) and substituting with new set of Articles 1 to 151 (both inclusive) to read as under:

I. The Regulations contained in Table 'F' in the First Schedule of the Companies Act, 2013 shall apply to this Company to the extent which they are not modified, amended or altered by these Articles.

II. The marginal notes hereto shall not affect the construction hereof any provision.

INTERPRETATION CLAUSE

1. For the purposes of these Articles, in addition to the terms defined in the introduction to these Articles and in the text of these Articles, whenever used in these Articles, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

"Act" means the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), including wherever applicable the Rules framed thereunder and the relevant provisions of the Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or denotified, as the case may be;

"Annual General Meeting" means a meeting of the members held in accordance with provisions of Section 96 of the Act.

"Articles" or **"these Articles"** shall mean the Articles of Association of the Company for the time being in force.

"Auditors" means and includes those persons appointed, as such for the time being, by the Company.

"Board" means meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board or the Directors of the Company collectively.

"Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.

"Company" means Quadrant Televentures Limited.

"Debentures" includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not.

"Directors" means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.

"Dividend" includes interim dividend.

"Electronic mode" means any communication by way of electronic media like tele-conferencing, video-conferencing and any other electronic media.

"Extra Ordinary General Meeting" means an Extra Ordinary General Meeting of the Members duly called and constituted and any adjourned meeting thereof.

"General Meeting" means a meeting of the Members.

"Member" means a member as defined under Section 2 (55) of the Companies Act, 2013 and the duly registered holder, from time to time, of the shares of the Company and includes every person whose name is entered as a Beneficial Owner as defined in clause (a) of Sub-section (1) of Section 2 of the Depositories Act, 1996.

"Month" means a calendar month.

"Office" means the Registered Office for the time being of the Company.

"Paid up" includes credited as paid-up.

"Register of Members" means the Register of Members to be kept pursuant to Section 88 of the Act.

"Registrar" means the Registrar of Companies.

"Seal" means the Common Seal for the time being of the Company.

"SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Secretary" means the Company Secretary appointed in pursuance of Section 203 of the Act.

"Share" means Share in the Capital of a Company and includes stock except where a distinction between stock and share is expressed or implied.

2. In these Articles,

(i) any reference to any statute or statutory provision shall include all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);

(ii) any reference to the singular shall include the plural and vice-versa;

(iii) any references to the masculine, the feminine and the neuter shall include each other;

(iv) any references to a "company" shall include a body corporate;

(v) expressions referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;

(vi) headings to Articles, Sections, parts and paragraphs of schedules and schedules are for convenience only and do not affect the interpretation of these Articles;

(vii) unless the context otherwise requires, the words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these Articles become binding on the Company.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. The Share Capital of the Company shall mean the share capital for the time being raised or authorized to be raised for the purpose of the Company, in terms of Clause V of Memorandum of Association of the Company. The Company shall have the power to increase or reduce the capital, to divide the share in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Regulations, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Regulations of the Company and to consolidate or sub-divide the shares and issue shares of higher or lower denomination. The minimum paid – up capital of the Company should be Rs. 5,00,000/- (Rs. Five Lakhs only).

4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

5. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

(a) Equity share capital:

(i) with voting rights; and / or

(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(b) Preference share capital

6. (1) Every person whose name is entered as a member in the Register of Members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as may be stipulated by the Listing Agreement and/or as the conditions of issue shall provide –

   (a) one certificate for all his shares without payment of any charges; or

   (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.

   (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

   (3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

7. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

8. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.

9. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

10. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or at the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

11. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

12. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

13. i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

    ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

14. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

15. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

16. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to:

    (a) persons who, at the date of offer, are holders of shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

    (b) employees under any scheme of employees' stock option; or

    (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

    (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

ALTERATION OF CAPITAL

17. Subject to the provisions of the Act, the Company may, by ordinary resolution –

    (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

(c) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

18. Where shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/”member” shall include “stock” and “stock-holder’ respectively.

19. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any securities premium account; and/or

(d) any other reserve in the nature of share capital.

CAPITALISATION OF PROFITS

20. (1) The Company in the General Meeting may, upon the recommendation of the board resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions .

(2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (3), either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full ,unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub clause (a) and partly in sub clause (b);

(d) a securities premium account and a capital redemption reserve may, for the purpose of this regulation , be applied in the paying up of unissued shares to be issued to members of the company as fully paid up bonus shares;

(e) the board shall give effect to the resolution passed by the company in pursuance of this regulation.

(3) Whenever such a resolution as aforesaid shall have been passed, the board shall:

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) generally to do acts and things required to give effect thereto.

(4) The board shall have power:

(a) to make such provisions , by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit ,for the case of shares becoming distributable in fractions ;and

(b) to authorize any person to enter ,on behalf of all the members entitled thereto ,into an agreement with the company providing for the allotment to them respectively , credited as full paid-up ,of any further shares to which they may be entitled upon such capitalisation , or as the case may be require, for the payment by the company on their behalf , by the application thereto of their respective proportions of profits resolved to be capitalised , of the amount or any part of the amounts remaining unpaid in their existing shares;

(5) Any agreement made under such authority shall be effective and binding on such members.

LIEN

21. (1) The Company shall have a first and paramount lien –

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

(3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

22. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien provided that no sale shall be made:

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding

payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

23. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(2) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

24. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

25. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

26. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

CALLS ON SHARES

27. (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(4) A call may be revoked or postponed at the discretion of the Board.

28. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

29. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

30. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

31. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the

date on which by the terms of issue such sum becomes payable.

32. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends; or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

33. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

34. All calls shall be made on a uniform basis on all shares falling under the same class.

35. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

36. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

TRANSFER AND TRANSMISSION OF SHARES

37. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any medium as may be permitted by law, including in any form of electronic medium. The Company shall be entitled to keep in any state or country outside India, a branch Register of Members resident in that state or country.

38. Instrument of Transfer: A common form of transfer shall be used in case of transfer of shares. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof.

39. The instrument of transfer duly stamped and executed by the transferor or the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company. The transfer of the shares shall be effected within one month from the date of the lodging the transfer with the Company.

40. Notwithstanding anything contained contrary in these Articles, the shareholders shall have full, absolute, unrestricted and unfettered right to transfer, pledge, create lien, charge, mortgage and otherwise encumber the shares of the Company in favour of the lenders or in favour of any person/s acting for the benefit of the lenders as security for the loans and such lenders or the person/s acting for the benefit of the lenders, as the case may be, shall have full, absolute, unrestricted and unfettered right to sell the shares so pledged, charged and/or under the security interest and/or transfer in their name, in the name of their nominees or in the name of third person, at their sole and absolute discretion in accordance with the terms of financing/ security/ debenture documents. The Company shall immediately give effect to such transfer of share and/ or sale of the shares and register the name of the lenders or the person acting for the benefit of the lender or transferee or the subsequent purchaser as shareholder.

41. Nothing contained contrary in these Articles shall apply to any transfer or sale of shares which are charged, pledged or under the security interest as security for the loans or the transfer, sale or appropriation of shares by the lenders or by any person/s acting for the benefit of the lenders and the Company/Director shall immediately without demur register the name of the lenders or the person acting for the benefit of the lenders or any such person to whom the lenders or the person acting for the benefit of the lenders have sold or transferred the shares pursuant to its right available in any of the financing and/or security documents or the subsequent transferee.

42. On giving not less than seven days' previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board of Directors may from time to time determine, provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.

43. Directors may refuse to register transfer: Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in-force, the Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register

the transfer of, or the transmissions by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one month from the date of which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmissions, as the case may be, giving reason for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. Transfer of shares/ debentures in whatever lot shall not be refused.

44. Where in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

45. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other.

46. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board of Directors and, subject as hereinafter provided elect, either:

    a) to be registered himself as holder of the share; or

    b) to make such transfer of the shares as the deceased or insolvent member could have made.

    (2) The Board of Directors shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.

47. (1) If the person so becoming entitled, shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a note in writing signed by him stating that he so elects.

    (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of share.

    (3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

48. No fee on transfer or transmission: No fee shall be charged for registration of transfer and transmission.

49. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he was the registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company, provided that the Board of Directors may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board of Directors may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

50. The Company shall incur no liability whatever in consequence of its registration or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title of interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable rights, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

FORFEITURE OF SHARES

51. If any member fails to pay any call or, installment of a call on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or installment remains unpaid give notice requiring him to pay the same together with any interest that may have accrued.

52. The notice shall name a further day (not being less than fourteen days from the date of the service of notice) on or before which the payment required by the notice is to be made; and state that, in the event of non-payment on or before the days so named, the shares in respect of which the call was made, will be liable to be forfeited.

53. If the requirements of any such notice as aforesaid shall not be complied with, every or any shares in respect of which such notice has been given, may at any time thereafter before payment required by the notice has been made, be forfeited by resolution of the Board to

that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

54. When any share shall have been so forfeited, notice of the forfeiture to the member in whose name it stood at the time of forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

55. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off either to the original holder thereof or to any other person upon such terms and in such a manner as the Board shall think fit.

56. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the shares.

57. The forfeiture of a share involves extinction, at the time of the forfeiture, of all interest in and claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

58. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

59. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off. The transferee shall thereupon be registered as the holder of the share. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

60. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the shares shall (unless the same shall on demand by the company have been previously surrendered to, by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person entitled thereto.

61. The Board may at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof at such conditions as it thinks fit.

JOINT HOLDERS

62. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.

b) On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share

d) Only the person whose name stands first in the register of members as one of the joint holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint holders.

e) (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint holders.

f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

BUY-BACK OF SHARES

63. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any

other law for the time being in force, the Company may purchase its own shares or other specified securities.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

64. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in the Section 17 of the Act shall be sent by the Company to every Member at his request within seven days of the request, on payment of fees in accordance with the Act.

SERVICE OF DOCUMENTS

65. A document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her office or address, or by such electronic or other mode as may be prescribed in Section 20 of the Act and rules made thereunder.

    Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

GENERAL MEETING

66. All General Meeting other that the Annual General Meetings of the Company shall be called Extra Ordinary General Meetings.

67. A General Meeting of a company may be called by giving not less than clear twenty-one days notice either in writing or through electronic mode in such manner as may be prescribed in the Act or rules made thereunder.

68. 1) The Board of Directors may, whenever it thinks fit call an Extra Ordinary General Meeting.

    2) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an Extra Ordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

    3) The Board of Directors shall call an Extra Ordinary General Meeting, upon a requisition in writing by any member or members holding in aggregate not less than one-tenth of such of the paid-up capital as on that date carries the right of voting. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office, provided that such requisition may consist of several documents in like form each signed by one or more requisitionists. Upon the receipt of any such requisition, the Board of Directors shall forthwith call an Extra Ordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists may themselves call the meeting, within a period of three months from the date of the requisition. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

CONDUCT OF GENERAL MEETINGS

69. (1) No business shall be transacted at any general meeting, unless a quorum or members are present at the time when the meeting proceeds to business.

    (2) Save as otherwise provided herein, the quorum for the general meeting shall be as provided in Section 103 of the Act.

70. The Chairman, if any of the Board of Directors shall preside as Chairman at every general meeting of the Company.

71. If there is no such Chairman or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the directors present shall elect one of their members to be the Chairman of the meeting.

72. If at any meeting no director is willing to act as Chairman or if no director is present within fifteen minutes of the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting.

73. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.

74. (1) The Chairman may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting, from time to time and place to place.

    (2) No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place.

    (3) When a meeting is adjourned for thirty days or more, fresh notice of any adjourned meeting shall be given as in the case of an original meeting.

    (4) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.

75. In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which a poll is demanded shall be entitled to a second or casting vote.

76. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting

concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

77. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -

(a) is or could reasonably be regarded, as defamatory of any person; or

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

78. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

79. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

80. A member of the Company may participate in a General Meeting through the electronic mode, subject to compliance of section 110 of the Act and such other circulars as may be prescribed.

VOTES OF THE MEMBERS

81. Subject to any rights or restrictions for the time being attached to any class or classes of shares:

a) on a show of hands, every members present in person shall have one vote; and

b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

82. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

83. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of Members.

84. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy.

85. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

86. No members shall be entitled to vote at any general meeting unless all calls and other sums presently payable by him in respect of shares in the Company or in respect of shares on which the Company has exercised any right of lien, have been paid.

87. (1) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

(2) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.

PROXY

88. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or an notarised copy of that power or authority shall be deposited at the Office of the Company, not less than 48 hours before the time for holding the meetings or adjourned meetings at which the person named in the instrument proposed to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

89. An instrument appointing a proxy shall be in the form as prescribed in the Rules made under Section 105 of the Act.

90. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer or the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

91. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 152 of the Act, the number of Directors (including Nominee Director and Alternate Directors) shall not be less than three or more than fifteen.

92. The Board shall have the power to appoint/re-appoint from time to time any of its members as Chairman & Managing Director or Manager of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit. The appointment and terms and conditions, including remuneration of Managing Director or Manager or Whole-Time Director shall be in accordance with Section 196, 197 and Schedule V of the Act. The Managing Director or Manager or Whole-Time Director who are in whole-time employment in the Company shall be subject to supervision and control of the Board of Directors of the Company.

93. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

94. The directors may participate in any meeting of the

Board or a committee thereof, through electronic mode subject to compliance with applicable law.

95. At every Annual General Meeting of the Company one-third of such of the directors of the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act if their number is not three or a multiple of three, then the number nearest to one third retire from office.

96. The Director shall, each be paid a sitting fee of such sum, not exceeding the limit as may be prescribed by the Act or the Central Government from time to time, for every meeting of the Board or of any Committee of the Board attended and reasonable travelling and other expenses.

97. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

(2) In addition to the remuneration payable to them in pursuance to the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them:

a) In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

b) In connection with the business of the Company.

98. The directors shall not be required to hold any qualifications shares in the Company.

99. Subject to the provisions of Sections 149 and 161 of the Act, the Board of Directors shall have power at any time, and from time to time, to appoint persons as additional directors, provided the number of additional directors and directors together shall not at any time exceed the maximum strength fixed for the Board of Directors by the Articles. Such a person shall hold office up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

100. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director to act for a director during his absence for a period of not less than three months from India.

101. The directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upon the date up to which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

102. The office of a director shall become vacant on the occurrence of any events described in Section 167 of the Act and other relevant provisions of the Act.

103. Every director present at any meeting of the Board of Directors or a committee there of shall sign his name in a book or attendance sheet to be kept for that purpose, to show his attendance there at.

104. Notwithstanding anything to the contrary contained in these Articles, so long as moneys remain owing by the Company to the IDBI Bank Limited, ICICI Bank Limited, Life Insurance Corporation of India, General Insurance Corporation of India, National Insurance Company Ltd, The Oriental Fire & General Insurance Co Ltd, The New India Assurance Co. Ltd, United India Insurance Company Ltd or a State Financial Corporation or any Financial Institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or any Public Sector Banks by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Article referred to as "the Corporation") out of any loans/ debenture assistance granted by them to the Company or so long as the Corporation holds or continue to hold debentures/shares in the Company as result of under writing or by subscription or private placement or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole time (which Director or directors is/are hereinafter referred to as "Nominee Directors") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or her or their places. The Board of Directors of the Company shall have no power to remove office of the Nominee Directors. At the option of the Corporation such Nominee directors shall not be required to hold any share qualification in the Company. Also, at the option of the Corporation such Nominee Directors shall not be liable to retirement by rotation of Directors. The Company agrees that if the Board of Directors of the Company has constituted or proposes to constitute any management committee or other committee so it shall, if so required by the Corporation, include the Nominee Director as a member of such management committee or other committees. Subject as aforesaid the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the Company. The Nominee Director(s) so appointed shall hold the said office only so long as any money remains owing by the Company to the Corporation or so long as the Corporation hold or continues to hold Debentures/ Shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the company arising out of the guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall vacate such office, immediately the moneys owing by the Company to the

Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the company arising out of the guarantee furnished by the Corporation. The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director(s) is/are, Member(s) as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Nominee Director(s) shall be entitled to the same sitting fees, commission, remuneration and expense as are applicable to other Directors. The expenses shall be paid to the Nominee Director(s) directly, but the commission, remuneration or other monies and sitting fees to which the Nominee Director(s) is/are entitled shall accrue due to the Corporation and shall accordingly be paid by the Company directly to the Corporation or as may be instructed by Corporation.

Any expense that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be, to such Nominee Director(s). Provided also that in the event of the Nominee Director being appointed as whole time director(s), such Nominee Director(s) shall exercise such powers and duties as may be approved by the Corporation and have such right as are usually exercised or available to a Whole Time Director in the management of the affairs of the Company. Such Whole Time Director(s) shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.

105. (1) A retiring director shall be eligible for re-election and the company at the general meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

(2) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

(3) If at any meeting at which an election of director ought to take place, the place of any vacating or deceased director is not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and if at the adjourned meeting the place of vacating Directors of such of them as have not had their places filled up shall be deemed to have been reelected at the adjourned meeting subject to the provisions of the section 152.

(4) Subject to the provisions of the sections 149 and 152, the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in the articles 91 and may also determine in what rotation the increased or reduced number is to retire.

(5) Subject to the provisions of section 169, the Company may by an ordinary resolution remove any Director before the expiration of his period of office, and by any ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

(6) A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other member intending to propose him as a Director has, not less than 14 days before the meetings, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director , or the intention of such member to oppose him as candidate for that office ,as the case may be together with a deposit of five hundred rupees which shall be refunded to such person ,or as the case may be to such member if the person succeeds in getting elected as a Director.

Provided such person by himself or by his agent authorized in writing has signed and filed with the registrar a consent in writing to act as such Director

(7) The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it ,and to keeping a register of the Directors , and to sending to the registrar an annual list of members and a summary of particulars relating thereto , and notice of any consolidation or increase of share capital and copies of special resolutions , and a copy of the register of Director and notifications of any changes therein.

POWERS OF BOARD OF DIRECTORS

106. The Board of Directors shall exercise the following powers on behalf of the Company and it shall do so only by means of resolution passed by the Board at its meetings:

a. make calls on shareholders in respect of money unpaid on the shares in the Company;

b. authorize buy-back of securities under Section 68 of the Act;

c. issue securities, including debentures , whether in or outside India;

d. borrow moneys,

e. invest the funds of the Company;

f. grant loans or give guarantee or provide security in respect of loans;

g. approve financial statement and the Board's Report;

h. diversify the business of the Company;

i. approve amalgamation, merger or reconstruction;

j. takeover a company or acquire a controlling or substantial stake in another company;

k. to make political contributions;

l. to appoint or remove key managerial personnel (KMP);

m. to take note of appointment(s) or removal(s) of one level below the KMP;

n. to appoint internal auditors and secretarial auditor;

o. to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital or free reserves of the investee company;

p. to invite or accept or renew public deposits and related matters;

q. to review or change the terms and conditions of public deposits;

r. to approve quarterly, half yearly and annual financial statements or financial results as the case may be; and

s. any other matter which may be prescribed from time to time.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Director, the manager or any other principal officer of the Company, the powers specified in (d), (e) and (f) or such other powers as may be permitted from time to time on such conditions as the Board may prescribe, subject to Section 179 of the Act.

107. The Board may exercise all such powers of the Company and do all such acts and things as are not by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company accorded by a Special Resolution:

(a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

(b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;

(c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business

(d) to remit, or give time for the repayment of, any debt due from a director.

108. The board may contribute any amount directly or indirectly to any political party subject to the provisions of section 182 of the Act and rules made thereunder.

109. The company may issue fully paid-up shares, bonus shares to the members pursuant to the provisions of the Act and rules made thereunder.

110. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a Meeting of the Board.

POWER OF ATTORNEY

111. The Board may at any time and from time to time nominate/appoint by Power of Attorney under the seal of the Company, any person or persons to act as Attorney/Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under the presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the Power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board think fit) be made in favor of any person, individual, corporate, member, company, director, manager or member of any local board, established as aforesaid or otherwise in favor of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such Powers for the protection or convenience of person dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub delegate all or any of the powers, authorities and discretions for the time being vested in them.

PROCEEDINGS OF THE BOARD

112. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

(3) The quorum for a Board meeting shall be as provided in the Act.

(4) The participation of directors in a meeting of the Board may be either in person or through

video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

113. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

114. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

115. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

116. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

117. A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

118. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

119. Committee may meet and adjourn as it thinks fit.

120. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

121. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

122. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

123. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

RESOLUTION BY CIRCULATION

124. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, by the Secretary of the Company, if any, or by any person or persons nominated by the Chairman/Managing Director/Manager, together with the necessary papers if any to all the Directors or to all the Members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or Members of the Committee at their usual address in India and has been approved by such of the Directors or Members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

REGISTERS

125. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, Register of Members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the Office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

126. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board of Directors may (subject to the provisions of that Section) make and vary such regulations as it may think fit with respect to the keeping of any such register.

127. The directors may enter into contracts or arrangements

on behalf of the Company subject to the necessary disclosures required by the Act being made wherever any Director is in any way, whether directly or indirectly concerned or interested in the contract or arrangements.

128. All related party transactions will be approved by the Board of Directors, and, if applicable, by the shareholders in a general meeting through a special resolution, in accordance with the provisions of the Act and rules framed thereunder.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

129. Subject to the provisions of the Act:

a) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board of Directors for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple business.

b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

130. Any provision of the Act or these Articles requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

131. The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal in accordance with the provisions of the Act.

132. Every deed or other instrument, to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by one Director and some other person appointed by Board for the purpose. Provided that in respect of the Share certificate, the Seal shall be affixed in accordance with the Articles.

DIVIDENDS AND RESERVE

133. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

134. Subject to the provisions of Section 123 of the Act, the Board of Directors may, from time to time, pay to the members such interim dividends as appear it to be justified by the profits earned by the Company.

135. The Board of Directors may, before recommending any dividend, set aside out of the profits of the Company, such sums, as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any of the purposes to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such applications may at the like discretion either be employed in the businesses of the Company or be invested in such investments (other than shares of the Company) as the Board of Directors may, from time to time, thinks fit. The Board of Directors may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

136. (1) Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as having been paid on the share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

137. The Board of Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

138. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by ECS, cheque or warrant sent through the post directed to the registered address of the holder or in case of joint holders, to the registered address of that one of the joint holders who is first named on the register of member, or to such persons and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

139. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other moneys payable in respect of such share.

140. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

141. No dividend shall bear interest against the Company.

142. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Quadrant Televentures Limited Unpaid Dividend Account".

143. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under Section 125 of the Act.

144. No unclaimed or unpaid dividend shall be forfeited by the Board of Directors until the claim becomes barred by law.

ACCOUNTS

145. The Board of Directors shall cause proper books of accounts to be maintained including under Section 128 of the Act.

146. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorized by the Board or by the Company in a General Meeting.

WINDING UP

147. (1) Subject to the provisions of the Act, and the rules made thereunder, on the winding up of the Company, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or in kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid, and may determine how such division shall be carried out as between the members or different classes of members.

(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

148. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by a competent court or the tribunal.

SECRECY

149. a) Every Director, Manager, Chief Executive Officer, Company Secretary, Chief Financial Officer, Auditor, Treasurer, Chief Accounts Officer, Accountant, Agent or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except and so far as may be necessary in order to comply with any of the provisions in these presents contained.

b) No members shall be entitled to visit or inspect any work/works of the Company without the prior permission of the Directors or to require discovery of or any information respecting any details of the Company's business/trading, or any matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

VARIATION IN TERMS OF CONTRACT OR OBJECTS IN PROSPECTUS

150. The Company shall not, at any time, vary the terms of a contract referred to in prospectus or objects for which the prospectus was issued, except subject to the approval of, or except subject to an authority given by the Company in general meeting by way of special resolution, and in accordance with the provisions of the Act.

GENERAL POWER

151. Wherever in the Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorise to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities, statutory or otherwise, while according approval, consent as may be considered necessary.

RESOLVED FURTHER THAT any one of the Directors and/or the Company Secretary of the Company be and are hereby, severally, authorized to do all such acts deeds and things as are deemed expedient and necessary and to file necessary Forms/Returns/ Applications/Documents/ Papers as are required to be filed with the office of the Registrar of Companies, Maharashtra, Mumbai and other authorities, Statutory or otherwise as are required to give effect to this Resolution."

By Order of the Board of Directors
For **QUADRANT TELEVENTURES LIMITED**

Place: Mohali **KAPIL BHALLA**
Dated: August 9, 2014 **COMPANY SECRETARY**

NOTES:

1. **IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN BE A PROXY FOR MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN AN 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. A PROXY FORM FOR THE MEETING IS ENCLOSED.**
2. In terms of the provisions of Section 102 of the Companies Act, 2013, the Statement setting out material facts in respect of all Special Business (Item No.3 to 9) to be transacted at the meeting is annexed and forms part of the Notice.
3. Copies of Notice of 67th Annual General Meeting together with Annual Report are being sent by electronic mode to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purpose. Hard Copies of the Annual Report will be supplied to those shareholders holding shares in Electronic mode as and when requested. For members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode.
4. Corporate Members intending to send authorized representative(s) to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from September 23, 2014 to September 30, 2014 (both days inclusive).
6. Details under Clause 49 of the Listing Agreement entered with the Stock Exchange in respect of the Director seeking appointment at the ensuing Annual General Meeting forms integral part of the Notice.
7. For convenience of the Members and proper conduct of meeting, entry to the place of meeting will be regulated by attendance slip, which is annexed to the Annual Report, Members are requested to sign at the place provided on the attendance Slip, and hand it over at the entrance of the venue.
8. Members holding shares in dematerialized form are requested to notify immediately any change of address to their Depository Participants (DPs) and those who hold shares in physical form are requested to write to the Company's Registrar & Share Transfer Agents, **M/s. Cameo Corporate Services Ltd., "Subramaniam Building", No. 1, Club House Road, Anna Salai, Chennai - 600 002.**
9. The business set out in this Notice is also being conducted through e-voting. In compliance with the provisions of Section 108 of the Companies Act, 2013, rule 20 of the Companies (Management & Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to offer the e-voting facility as an alternate to all its members to enable them to cast their votes electronically instead of casting of the vote at the meeting. Please note that voting through electronic mode is optional. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically.
10. The electronic voting facility shall be open from Wednesday, 24th September, 2014 at 9.00 a.m. to Friday, 26th September, 2014 till 5.00 p.m. (both days inclusive). The Company has fixed August 22, 2014 as the cut-off date/ entitlement date for identifying the shareholders entitled to participate in e –voting. The e-voting module shall be disabled by CDSL for voting thereafter.

    The notice of the meeting is also being placed on the website of the Company viz. www.connectzone.in and on the website of CDSL viz. www.cdslindia.com.
11. The Company has appointed Ms. Kanchan A. Kakade, Practicing Company Secretary (C.P. No. 11999) as the Scrutinizer for conducting the e-voting/polling process at the AGM in fair and transparent manner.

12. The voting rights will be reckoned on the paid up value of shares registered in the name of shareholders on the cut-off date/entitlement date.
13. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names, shall be entitled to vote.
14. Non-resident Indian Members are requested to inform M/s. Cameo Corporate Services Limited immediately whenever there is a change in their residential status on return to India for permanent settlement.
15. The relevant documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all working days between 12.00 Noon to 3.00 p.m. upto the date of the Annual General Meeting.
16. Members desiring any information relating to the Accounts are requested to send their queries to the Company Secretary - 7 days before the date of the meeting so as to enable the Management to reply at the Meeting.
17. Members who hold the shares in physical form under the multiple folio's, in identical names or joint accounts in the same order or names ,are requested to send the share certificates to M/s. Cameo Corporate Services Ltd., "Subramaniam Building", No.1, Club House Road, Anna Salai, Chennai - 600 002, for consolidation into a single folio.
18. **GREEN INITIATIVE:**

    Members who have not registered their e-mail address so far are requested to register their E-mail address for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.
19. Shareholders are requested to send any investor complaints at the Email ID for the Investor Grievance / Redressal division at secretarial@infotelconnect.com.
20. **INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MODE**

    The process and manner for voting by electronic means and the time schedule including the time period during which the votes may be casted are as under:

    (i) The e-voting period begins on Wednesday, 24th September, 2014 at 9.00 a.m. and ends on Friday, 26th September, 2014 till 5.00 p.m. (both days inclusive). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 22nd August, 2014 being the cut-off date/entitlement date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    In case of members receiving e-mail:

    (ii) Log on to the e-voting website www.evotingindia.com

    (iii) Click on "Shareholders" tab.

    (iv) Now Enter your User ID

    a. For CDSL: 16 digits beneficiary ID,

    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

    (v) Next enter the Image Verification as displayed and Click on Login.

    (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

    (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat 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 in the PAN field (Sequence number has been provided as Serial Number (Sr. No.) in the address label.
	• 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. Eg. If your name is Ramesh Kumar with sequence no. 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. • 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 member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Quadrant Televentures Limited.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 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 should be created 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.

In case of members receiving the physical copy:

A. Please follow all steps from sl. no. (ii) to sl. no. (xviii) above to cast vote.

B. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available on www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. The shareholders can also write to Mr. Kapil Bhalla, Company Secretary of the Company, at secretarial@infotelconnect.com.

A STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO THE PROVISION OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the name of Ms. Mitu Mehrotra Goel for appointment as Director of the Company, along with the requisite deposit as prescribed under Section 160 of the Act. Ms. Mitu Mehrotra Goel (DIN: 05188846), has submitted her consent and declaration that she is not disqualified from being a Director.

Further, in terms of the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have at least one woman Director.

Your Directors, therefore, recommend the passing of the proposed resolution for the appointment of Ms. Mitu Mehrotra Goel (DIN: 05188846) as a Director on the Board, whose office shall be liable to retire by rotation.

None of the other Directors and/or key managerial personnel of the Company and/or their relatives or the relatives of the proposed appointee are in any way concerned or interested in the proposed resolution as set out in Item No. 3 of the Notice.

Item No. 4

Mr. Rahul Amarnath Sethi (DIN-00216395) an Independent Director on the Board of the Company, liable to retire by rotation, holds office upto the date of Annual General Meeting.

In terms of the provisions of Section 149 and other applicable provisions of the newly enacted Companies Act, 2013 (Act), at least one-third of the total number of directors in a Listed Public Company shall be Independent Directors. Further, in terms of the provisions of Section 149, the Independent Director shall hold office for a term of upto five consecutive years and his office shall also not be liable to retire by rotation; however the Independent Director so appointed shall not be entitled to hold office as such for more than two consecutive terms from the date of his/her appointment as an Independent Director in terms of the provisions of section 149 of the Companies Act, 2013.

Currrently, since the board of the company comprises of five Directors (including one nominee director), the company is required to appoint at least two directors as Independent Directors in compliance with the terms of Section 149.

Mr. Rahul Amarnath Sethi was appointed on the board of directors of the company (hereinafter referred to as 'the Board') in the capacity of non-executive, Independent Directors, and was liable to retirement by rotation (under the provisions of the erstwhile Companies Act, 1956); however, in terms of the provisions of Section 149 of the newly enacted Companies Act, 2013, Mr. Rahul Amarnath Sethi being eligible, has offered himself for appointment as Independent Director and has also given a declaration in respect of his independence as provided under Section 149(6) of the Act.

Also, in the opinion of the Board, Mr. Rahul Amarnath Sethi fulfill the conditions specified under the Act and the rules made there under, for his appointment as Independent Director on the Board and is independent of the management of the company.

In view of the foregoing, the board of directors on the recommendation of the Nomination & Remuneration Committee have proposed to appoint Mr. Rahul Amarnath Sethi as Independent Director on the Board, in terms of the provisions of section 149, for a term of five consecutive years and not be liable to retire by rotation.

Notice has been received from a member signifying his intention to propose the appointment of Mr. Rahul Amarnath Sethi along with the requisite deposit as prescribed under Section 160 of the Act.

Brief profile of Mr. Rahul Amarnath Sethi including the nature of his expertise along with other disclosures as required under Clause 49 of the Listing Agreement, are provided at Annexure A of this Notice.

The Board recommends for approval by the members the proposed resolution as set out at Item No. 4 of the Notice for the appointment of Mr. Rahul Amarnath Sethi as Independent Director under section 149 of the Companies Act, 2013.

Except Mr. Rahul Amarnath Sethi none of the other directors and/or key managerial personnel of the Company and/or their relatives or the relatives of the proposed appointee are in any way concerned or interested in the proposed resolution as set out in Item No. 4 of the Notice.

Item No. 5

In terms of the provisions of Section 149 and other applicable provisions of the newly enacted Companies Act, 2013 (Act), at least one-third of the total number of directors in a Listed Public Company shall be Independent Directors. Further, in terms of the provisions of Section 149, the Independent Director shall hold office for a term of upto five consecutive years and his office shall also not be liable to retire by rotation; however the Independent Director so appointed shall not be entitled to hold office as such for more than two consecutive terms from the date of his/her appointment as an independent director in terms of the provisions of section 149 of the Companies Act, 2013.

Currrently, since the board of the Company comprises of five directors (including one nominee director), the Company is required to appoint at least two directors as Independent Directors in compliance with the terms of Section 149.

Mr. Babu Mohanlal Panchal was appointed on the board of directors of the Company (hereinafter referred to as 'the Board') in the capacity of non-executive, Independent Director, liable to retirement by rotation under the provisons of the erstwhile Companies Act, 1956.

Notice has been received from a member signifying his intention to propose the appointment of Mr. Babu Mohanlal Panchal as an Independent Director along with the requisite deposit as prescribed under Section 160 of the Act.

In terms of the provisions of Section 149 of the newly enacted Companies Act, 2013, Mr. Babu Mohanlal Panchal, being eligible, has offered himself for appointment as Independent Director and has also given a declaration in respect of his independence as provided under Section 149(6) of the Act.

Also, in the opinion of the Board, Mr. Babu Mohanlal Panchal, fulfills the conditions specified under the Act and the rules made there under, for his appointment as Independent Director on the Board and is independent of the management of the company.

In view of the foregoing, the Board on the recommendation of the Nomination & Remuneration Committee has proposed to appoint Mr. Babu Mohanlal Panchal as Independent Director on the Board, in terms of the provisions of section 149, for a term of five consecutive years and not liable to retire by rotation.

Brief profile of Mr. Babu Mohanlal Panchal including the nature of his expertise along with other disclosures as required under Clause 49 of the Listing Agreement, are provided at Annexure A of this Notice.

The Board recommends for approval by the members the proposed resolution as set out at Item No. 5 of the Notice for the appointment of Mr. Babu Mohanlal Panchal as Independent Director under section 149 of the Companies Act, 2013.

Except Mr. Babu Mohanlal Panchal, none of the other directors and/or key managerial personnel of the Company and/or their relatives or the relatives of the proposed appointee are in any way concerned or interested in the proposed resolution as set out in Item No. 5 of the Notice.

Item No. 6

The Board on the recommendation of Audit Committee has re-appointed M/s Sanjay Gupta and Associates, Cost Accountants,as Cost Auditors to conduct the audit of Cost records of the Company in respect of Telecommunication Services for the financial year 2014-15, subject to the approval of Central Government and the same has been approved by the Central Government.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration to be paid to the Cost Auditors has to be ratified by the Shareholders of the Company. In accordance with the above provisions, your directors recommend the payment of Cost Audit Fee of Rs. 1,00,000/-(Rupees One Lac Only) plus Taxes as proposed to be paid to M/s Sanjay Gupta and Associates, Cost Auditors of the Company for the financial year 2014-15 for the approval of shareholders as an ordinary resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives or the relatives of the proposed appointee are in any way concerned or interested in the proposed resolution as set out in the Notice.

Item No. 7

The Shareholders of the Company at the Extra Ordinary General Meeting held on July 18, 2012 had approved the appointment of Mr. Kapil Bhalla as'Manager' in terms of the provisions of Section 269 read with Schedule XIII of the erstwhile Companies Act, 1956 for a term of three years w.e.f. January 31, 2012 to January 30, 2015.

It is proposed to re-appoint Mr. Kapil Bhalla as the 'Manager' in compliance with the provisions of Section 203(1)(i) of the Companies Act, 2013 (Act) read with the Schedule V of the Act and the rules framed there under on the terms and condition as may be approved by the Board of Directors from time to time during the aforesaid tenure. Manager shall perform his duties as per the direction and the control of Board of Directors of the Company.

The Board of Directors on the recommendation of Nomination & Remuneration Committee has proposed the re-appointment of Mr. Kapil Bhalla, Company Secretary, as a 'Manager' for a further period of three years effective from January 31, 2015 on the remuneration as may be fixed from time to time, within the overall limit as laid down in Schedule V of the Companies Act, 2013 as may be amended from time to time.

In terms of Schedule V of the Act, since the Company has inadequate profits and negative effective capital, therefore the Company can pay by way of yearly remuneration to the Manager not exceeding Rs. 30,00,000/- (Rupees Thirty Lacs Only). Accordingly, the Board of Directors propose re-appointment of Mr. Kapil Bhalla as Manager at an annual remuneration within the overall limit of Rs. 30,00,000/- (Rupees Thirty Lacs Only) per annum.

Your Directors recommend the proposed resolution as set out at Item No. 7 of the Notice for the approval of the shareholders of the Company by way of Special Resolution.

Except Mr. Kapil Bhalla, none of the Directors and Key Managerial Personnel of the Company or their relatives are in any way interested or concerned in the proposed Resolution.

The Notice read with explanatory statement should be considered as written memorandum setting out the terms of remuneration of Mr. Kapil Bhalla, as Manager as required under Section 196 of the Act.

Statement pursuant to the provisions of Clause (B) of the Section II of Part II of Schedule V to the Companies Act, 2013 with respect to Item no. 7.

I. General Information:

(i) **Nature of Industry :** The Company is in service industry and engaged in the business of providing Telephony Services including GSM Mobile Telephony Services,Landline, DSL (Internet) and CDMA Mobile Telephony Services and Leased Line service under the Unified Access Services License granted by the Department of Telecommunications (DoT), Ministry of Communications & Information Technology, Government of India, New Delhi, for operating in Punjab Telecom Circle comprising of the state of Punjab, Union Territory of Chandigarh and Panchkula Town of Haryana.

(ii) **Date or expected date of commencement of commercial production:** The Company was incorporated on August 02, 1946 under the Companies Act, 1913. The company has been providing basic telecom services since the Company was granted Basic Telephony Licence for the Punjab Telecom Circle by the Department of Telecommunications (DoT) on September 30, 1997; also the Internet services License was obtained in the year 2000; With effect from November 14, 2003 the Company migrated to the Unified Access Services License (UASL License) as granted by the DoT; the company has been providing the Landline, Internet, Leased Line, CDMA Mobile and GSM Mobile Services on the ground of the respective Telecom Licenses by the DoT in Punjab Telecom Circle.

(iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable.

(iv) **Financial performance based on given indicators** - as per published audited financial results for the accounting year ended March 31, 2014:

Particulars as on March 31, 2014	**Amount (Rs. In Million)**
Turnover & Other Income	4,089.38
Net Profit as per Profit & Loss Account (After Tax	(2,611.61)

(v) **Foreign Investments or collaborators, if any:** There are no foreign Investments or collaborations in the Company.

II. Information about the appointee:

(i) **Background details:**

Mr. Kapil Bhalla is a qualified Company Secretary (FCS) - 1993 Batch - from the Institute of Company Secretaries of India, New Delhi. He has 28 years of work experience in the corporate sector working in the Core Manufacturing Industry as well as the Services Sector in Senior Management positions. Mr. Kapil Bhalla has been working with the Company since 2007 as Company Secretary and also as Manager since January 2009 under section 269 of the erstwhile Companies Act, 1956 and currently under section 203 of Companies Act, 2013.

(ii) **Past Remuneration drawn:**

Manager's Remuneration – Rs. 15,88,097/- for the financial year ended March 31, 2014.

The remuneration excludes Company's contribution to provident fund, superannuation and gratuity funds and leave encashment.

(iii) **Recognition & Awards / Achievements:**

Mr. Kapil Bhalla has 28 years of work experience in the corporate sector working in the Core Manufacturing Industry as well as the Services Sector in Senior Management positions.

(iv) **Job Profile and suitability:**

Mr. Kapil Bhalla is Compliance Officer and responsible for the overall Statutory Compliances of the Company, under the supervision and control of the Board of Directors. He is also responsible to perform such other duties as may, from time to time, be entrusted by the Board of Directors. Taking into consideration his qualification and vast and diversified experience the Board recommends his appointment as Manager of the Company.

(v) **Remuneration proposed:**

The appointee is proposed to be paid remuneration not exceeding the limit of Rs. 30,00,000/- (Rupees Thirty Lacs) per annum in compliance wih the limits set out in the Act.

The above remuneration is proposed to be paid as minimum remuneration in case of inadequate profits during any financial year.

The Board of Directors on the recommendation of Nomination & Remuneration Committee shall have power to vary, alter, the terms and conditions of appointment of Mr. Kapil Bhalla as Manager and to take such steps as would be expedient or desirable, including obtaining approval of the Central Government, if so required.

(vi) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to the appointee is commensurate with the remuneration packages paid to similar senior level appointees in other telecom companies.

(vii) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Besides the remuneration proposed, the appointee does not have any other pecuniary relationship with the Company or the Managerial Personnel.

III. Other Information:

(i) **Reasons for inadequate profits:**

The Company is a core Telecom Sector Company - which is a highly Capital intensive industry and huge Capital outlays are required for roll out of wireline and wireless network. Also the Company has launched the GSM Mobile services in the year 2010, which also entailed heavy investment including Licence Fee of Rs. 151.75 Crore. The heavy Depreciation and Amortization - apart from recurring Network and interconnect costs - have resulted in the accumulated losses.

(ii) **Steps taken by the Company to improve performance:**

The Company is consolidating its position in the market by increasing its share of new additions in the wireless market (i.e. Fixed, wireless and mobile) and making focused efforts to attract customers in all segments.

(iii) **Expected increase in productivity and profits in measurable terms:** The above measures are expected to yield positive results in the coming years. Although, it is difficult to predict increase in productivity and profits for the future years in measurable terms

Item No. 8

A wholly owned subsidiary Company - Infotel Tower Infrastructure Private Limited – has been providing Manpower Outsourcing to the Company on the following terms:

- Charging the Company for the actual manpower cost incurred i.e as per the actual salary payment to its employees by Infotel Tower Infrastructure Private Limited and also the PF, ESI Contribution, incidental expenses along with the incentives, if any, payable to such personnel.
- Charging the Company @ Rs. 60/- (Rupees Sixty only) per head count per month or proportionate in case of less than a month, by way of service charges.

In terms of the provisions of Section 188 of the Companies Act, 2013,the Audit Committee and the Board of Directors of the Company have approved to continue to avail these services and to renew the contract with M/s Infotel Tower Infrastructure Private Limited, a wholly owned subsidiary Company (a Related Party as defined under Section 2(76) of the Act) to provide Manpower Outsourcing to the Company at the existing terms and conditions for additional period of three years effective from January 1, 2015 - subject to the approval of the shareholders by way of special resolution - in terms of the provisions of Section 188 of the Companies Act, 2013.

The details in respect of the proposed contract, as required under the Companies (Meeting of Board & its Powers) Rules, 2014 are as follows:

Name of the Related Party: Infotel Tower Infrastructure Private Limited

Name of Director or Key Managerial Personnel who is/are related, if any, with the Subsidiary Company

Mr. Babu Mohanlal Panchal, Mr. Yatinder Vir Singh, Directors of the Company and Mr. Kapil Bhalla, Manager & Company Secretary are directors on the Board of Infotel Tower Infrastructure Private Limited.

Nature of Relationship

Infotel Tower Infrastructure Private Limited, is a wholly owned subsidiary of the Company.

Nature, Material Terms, Monetary Value and Particulars of Contract or arrangement:

- Pay actual charges incurred by the Infotel Tower Infrastructure Private Limited i.e. charges for providing Man power at the actual salary paid to its employee as well as statutory contributions as may be enforced. from time to time viz. contribution to PF, ESI and other incidental expenses alongwith incentives if any payable to such personnel.
- Pay charges @ Rs. 60/- (Rupees Sixty only) per head count per month or proportionate in case of less than a month, by way of service charges.
- Renewal period of contract w.e.f. January 1, 2015 with power to the Board to extend the contract by such period and on such terms as it may deem fit.

Any other information relevant or important for the members to take decision on the proposed resolution:

The Company in the normal course of business requires Manpower both skilled and unskilled and in order to fulfill the requirement of unskilled staff, the Company hire outsources the same and therefore enters into a contract to outsource manpower.

The Directors recommend the proposed resolution at Item No. 8 of the Notice for the approval of the shareholders by special resolution.

Mr. Babu Mohanlal Panchal, Mr. Yatinder Vir Singh, Directors and Mr. Kapil Bhalla, Key Managerial Personnel who are Directors on the Board of M/s Infotel Tower Infrastructure Private Limited, may be deemed to be interested in the proposed resolution; none of the other Directors and/or Key Managerial Personnel of the Company or any of their relatives are in any way interested or concerned in the proposed Resolution.

Item No. 9

The Company proposes to incorporate various provisions which are required pursuant to the Companies Act, 2013 and the Listing Agreement in its Articles of Association. As this will entail numerous changes to the Articles of Association of the Company, it is considered desirable to adopt a comprehensive new set of clauses / Articles in the Articles of Association in substitution of existing set of clauses of the Articles of Association of the Company.

Therefore, it is proposed to delete the existing Articles 1 to 191 (both inclusive) contained in the Articles of Association of the Company and substitute with new set of Articles 1 to 151 (both inclusive), as set out in the resolution.

Pursuant to the provisions of the Companies Act, 2013, alteration of Articles of Association requires approval of the members of the Company by way of passing a Special Resolution.

The Directors recommend the proposed resolution at Item No. 9 of the Notice for the approval of the shareholders by special resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are interested or concerned in the proposed Resolution.

By Order of the Board of Directors
For **QUADRANT TELEVENTURES LIMITED**

Place: Mohali — **KAPIL BHALLA**
Dated: August 9, 2014 — **COMPANY SECRETARY**

Annexure -A

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING
(Information pursuant to clause 49 (G) (i) of the Listing Agreement)

Name of Director	Mr. Rahul Amarnath Sethi	Mr. Babu Mohanlal Panchal	Ms. Mitu Mehrotra Goel
Director Identification Number(DIN No.)	00216395	01806193	05188846
Date of Birth	02.12.1951	14.12.1967	03.09.1976
Date of Appointment	17.03.2012	09.04.2010	Proposed to be appointed at Annual General Meeting
Qualification	B. Com.	B. Com. FCA	M. Com., MBA (Finance), LLB
Expertise in specific functional areas	over 43 years in the field of Marketing, Sales and Production, experience in implementation of various projects and project financing, associated with the manufacturing industry,	Experience of 22 years in the field of Accounts, Finance, Capital Market, Joint Ventures Taxation, Amalgamations & Takeovers and Administration	Over 15 years of rich experience in the field of Taxation, Finance & Accounts.
Directorships in other Companies	-Videocon Australia WA-388-P Limited -Videocon Indonesia Nunukan Inc -Videocon Energy Brazil Ltd -Videocon JPDA 06-103 Limited	-Infotel Tower Infrastructure Private Limited	NIL
Chairman/ Member of Committees of the Board of other Companies in which he is Director	NIL	NIL	NIL
No. of Share held by Directors in the Company	NIL	NIL	NIL
Relationship, if any, with the other members of the Board	None	None	None

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 67th (Sixty Seventh) Annual Report on the business and operations of your Company with the Audited Financial Statements for the year ended 31st March, 2014.

SUMMARY OF FINANCIAL RESULTS

The Company's financial results for the year ended 31st March, 2014 is summarized below:

(Rs. in millions)

	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
I.	Revenue from operations	**4059.95**	3295.65
II.	Other Income	**29.44**	27.78
III.	Total Income(I+II)	**4089.39**	3323.43
IV.	Expenses		
	Networks operation Expenditure	**3784.12**	2189.17
	Employee Benefits Expenses	**688.30**	483.32
	Sales & Marketing Expenditure	**281.01**	166.65
	Finance Cost	**273.00**	280.62
	Depreciation and Amortization Expenses	**1267.80**	1218.27
	Other Expenses	**406.76**	342.22
	Total Expenses	**6701.00**	4680.26
V.	Profit before exceptional and extraordinary items and tax (III-IV)	**(2611.61)**	(1356.82)
VI.	Exceptional Item	**-**	-
VII.	Profit before extraordinary items and tax (V-VI)	**(2611.61)**	(1356.82)
VIII.	Extraordinary items	**-**	-
IX.	Profit before tax (VII-VIII)	**(2611.61)**	(1356.82)
X.	Tax expenses	**-**	-
(1)	Current Tax		
(2)	Deferred Tax		
XI.	Profit (Loss) for the period from continuing operations (IX-X)	**(2611.61)**	(1356.82)
XII.	Profit/(Loss) from discontinuing operations	**-**	-
XIII.	Tax expenses of discontinuing operations	**-**	-
XIV.	Profit/(Loss) from Discontinuing operations (after tax)(XII-XIII)	**-**	-
XV.	Profit /(Loss) for the period (XI-XIV)	**(2611.61)**	(1356.82)

The Company registered revenue increased by 23% from Rs 3295.65 million in 2012-13 to Rs 4059.95 million in 2013-14. The total expenses during 2013-14 increased to Rs.6701.00 million as against Rs. 4680.26 million in the previous year due to an increase in the interconnect costs and network operation costs.

Consequently, operating loss increased from Rs.1,356.82 million during 2012-13 to Rs. 2611.61 million during the year ended 31.03.2014.

BUSINESS OPERATIONS

Your Company holds Unified Access Services License (UAS License) for providing Telephony Services in the Punjab Telecom Service Area comprising of the state of Punjab, Union Territory of Chandigarh and Panchkula Town of Haryana. The Company is a Category –B (Punjab Circle) ISP Licensee and offers a broad range of internet related services including Digital Subscriber Lines ("DSL") leased lines and dial-up internet access. The ISP Licence is valid till June 2015 and Company has applied for renewal / issuance of new ISP Licence (Category - A) for expanding its services.

As of March 31, 2014 i.e. at the end of fourth year of operations of GSM Mobile Services – the GSM Subscriber base touched 16,33,655 (Previous Year 13,76,202)

The Portfolio of services provided by the Company includes Data and Internet Connectivity across wireline technology, Fixed Line and Mobile voice services, Managed Services. The company has also launched its post-paid services in the GSM Mobile Segment this year.

The Company provides broadband services through its fiber optic cable laid across Punjab and the Company has also entered into co-location agreements with other operators in order to expand its network.

As on March 31, 2014, the Fixed Voice (Landline) Subscriber Base touched 2,12,798 (previous year 1,87,944), Broadband DSL subscriber base touched 1,40,600 (previous Year 1,19,879) witnessing a growth of about 16%;the CDMA Mobile Services Segment subscriber base however decreased to 3,069 subscribers (previous year 17,456) as the CDMA Subscribers continued to shift to the GSM Services Segment of the company by using the Mobile Number Portability (MNP) option.

MARKETING INITIATIVES

During the year, various marketing initiatives were taken in order to enhance the brand visibility through various programs such as Young Manch Contest, Connect Super Jodi Contest etc, in order to connect to and reach out to a larger segment of the populace especially the younger segment of society.

CORPORATE DEBT RESTRUCTURING SCHEME (CDR SCHEME)

Restructuring of Liabilities:

The Corporate Debt Restructuring Cell (CDR Cell) had vide its letter no. CDR(JCP) 563/2009-10 dated August 13, 2009 approved a Corporate Debt Restructuring Package (CDR Package) for the company, in order to write off the losses and also to enable the company to service its debts. As of March 31, 2014, the company has duly complied with the terms and conditions as stipulated in the CDR Package except for the 'Reduction of Capital', the status of which is as under:

Reduction of Share Capital:

As per the CDR Package the Issued, Subscribed and Paid up Equity Share Capital of the Company was to be reduced by 90% i.e. from Rs. 612.26 Crores to Rs. 61.23 Crores by extinguishing/ canceling Rs.9/- per equity share out of each equity share of Rs. 10/- each fully paid up, in order to write-off the accumulated losses of the company.

Pursuant to the approval by BSE vide its letter dated October 23, 2013, the company had filed the Petition for Reduction of Equity Share Capital with the Hon'ble Bombay High Court. Hon'ble Bombay High Court has vide its Order dated July 4, 2014 granted its approval for the proposed Reduction of Capital. Certified copy of the Order has been filed with the Registrar of Companies, Mumbai, Maharashtra, for registration. The reduction of capital would become effective from the date of registration of the Court Order by the Registrar of Companies, Mumbai, Maharashtra.

SHARE CAPIAL

During the year ended March 31, 2014, there was no change in issued, subscribed and paid up equity share capital of the company which stood at Rs. 6,12,26,02,680/- comprising of 61,22,60,268 equity shares of Rs.10/- each, fully paid up. However, as detailed above in the paragraph pertaining to 'Corporate Debt Restructuring Scheme', the company had filed a Petition for Reduction of Capital and the Hon'ble Bombay High Court has vide its Order dated July 4, 2014 granted its approval for the Reduction of paid up Equity Share Capital. The reduction would become effective from the date of registration of the said Order by the Registrar of Companies, Mumbai, Maharashtra.

LISTING

The equity shares of your Compnay are listed on BSE Limited.

DIVIDEND

As on March, 31, 2014, the Company had accumulated losses. Your Directors, therefore, have not recommended any dividend for the financial year 2013-14.

TRANSFER TO RESERVES

During the year under review, no amount has been transferred to reserves.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company,being in the telecommunications sector is not involved in carrying on any manufacturing activity; accordingly, the information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended,relating to Conservation of Energy are not applicable.

However, the following information would give adequate idea of the continuous efforts made by the Company in this regard:

(i) Energy Conservation:

   (a) Electricity is used for the working of the Company's telephone exchanges and other network infrastructure equipment. The Company regularly reviews power consumption patterns across its network and implements requisite changes in the network or processes in order to optimize power consumption and thereby achieve cost savings.

   (b) Reduction in the running of the Diesel Generator (DG) Sets during power cuts it its various tower sites.

(ii) Technology Absorption: The Company has not imported any technology. The Company has not yet established separate Research & Development facilities.

(iii) Foreign Exchange Earnings and Outgo: During the year, there were no foreign exchange earnings; the total foreign exchange outgo was to the tune of Rs. 32.70 millions, which was on account of finance charges and travel expenses.

DIRECTORS

As of March 31, 2014, there was no change in the Directors of the Company. However, IDBI Bank Ltd has w.e.f. April 21, 2014 nominated Mr. Rajeev Kumar as its Nominee Director on the Board in place of Mr. Viney Kumar. Your directors welcome Mr. Rajeev Kumar on his appointment and place on record their sincere appreciation for the contribution made by Mr. Viney Kumar during his tenure as Director.

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Rahul Amarnath Sethi and Mr. Yatinder Vir Singh, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible Mr. Rahul Amarnath Sethi has offered himself for appointment as Director.

The Company has received due notice under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Mitu Mehrotra Goel for appointment as director liable to retire by rotation, in place of Mr. Yatinder Vir Singh. On the recommendation of the Nomination and Remuneration Committee, your Directors recommend the appointment of Ms. Mitu Mehrotra Goel in place of Mr. Yatinder Vir Singh.

In terms of the provisions of Section 160, the Company has received requisite notice(s) in writing from members proposing the names of Mr. Rahul Amarnath Sethi and Mr. Babu Mohanlal Panchal, for being appointed as Independent Directors to hold office for a term of five consecutive years from the date of 67th Annual General Meeting, in terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013.

The Company has received declarations from Mr. Rahul Amarnath Sethi and Mr. Babu Mohanlal Panchal confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

On the recommendation of the Nomination and Remuneration Committee, your Directors recommend the appointment of Mr. Rahul Amarnath Sethi and Mr. Babu Mohanlal Panchal as Independent Directors on the Board for a term of five consecutive years from the date of the ensuing 67th Annual General Meeting and they shall not be liable to retire by rotation.

Annexure giving the brief profile of each of the directors proposed to be appointed, giving their details and specifying their expertise in the specific functional areas as well as the public companies in which they hold Directorship(s) and/ or Committee membership(s), is annexed to the Notice and forms part thereof.

AUDITORS

M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Registration No. 105049W) were appointed as the Statutory Auditors of the Company in the last Annual General Meeting and hold office upto the conclusion of the forthcoming Annual General Meeting.

In terms of the provisions of Section 139 of the newly enacted Companies Act, 2013, a listed company can appoint or re-appoint an audit firm as auditor for a maximum of two terms of five consecutive years, each. Further, in terms of Rule 6 of Companies (Audit and Auditors) Rules 2014, the term for which the Auditors have already acted as Auditors (prior to the commencement of the Companies Act, 2013) shall also be taken into account for calculating the maximum period of ten consecutive years. Since M/s Khandelwal Jain & Co. have been the Auditors of the Company for a period of only four years (since their appointment in 2010) they are eligible to be appointed for a further 6 years;

M/s Khandelwal Jain & Co., have confirmed their willingness and eligibility for re-appointment as statutory auditors under Section 141 of the Companies Act, 2013 (Act). The Audit Committee has recommended their re-appointment as Auditors for a further term of 5 consecutive years.

Your directors therefore recommend the re-appointment of M/s Khandelwal Jain & Co., Chartered Accountants, as the Auditors of the Company for a further term of 5 consecutive years i.e. from the conclusion of the 67th Annual General Meeting until the conclusion of the 72nd Annual General Meeting, subject to ratification by the members in every annual general meeting, as required under section 139 of the Act.

Your directors therefore recommend the approval of the proposed resolution for appointment of M/s Khandelwal Jain & Co., Chartered Accountants, as Auditors for a period of five years.

COST AUDITOR

In compliance with the Cost Audit directions issued by the Ministry of Corporate Affairs (Cost Audit Branch) vide notification no. Cost Audit No. F.No. 52/26/CAB-2010 dated May 2, 2011 and November 6, 2012; the Company has appointed M/s Sanjay Gupta & Associates, Cost Accountants New Delhi, as the Cost Auditor for the financial year 2014-15; in accordance with the Companies Act, 2013 the Cost Auditor's remuneration is to be ratified in the Annual General Meeting. Your directors therefore recommend the approval of the Cost Auditor's remuneration as proposed in the Notice of the Annual General Meeting. The Cost Audit report for the Financial Year ended March 31, 2013 was duly filed on September 27, 2013. The cost audit report for the financial year ended March 31, 2014 will be filed on or before the due date.

PARTICULARS OF EMPLOYEES

During the financial year 2013-14, there was no employee who was drawing remuneration in excess of the monetary ceiling in accordance with the revised provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

CASH FLOW STATEMENT

The Cash Flow Statement for the financial year ended March 31, 2014, in conformity with the provisions of clause 32 of the Listing Agreement, is annexed hereto.

AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Company has constituted an Audit Committee. The composition, scope and powers of the Audit Committee together with details of meetings held during the year under review, forms part of the Corporate Governance Report.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As of March 31, 2014, there was no Unclaimed Dividend due for transfer to the Investor Education and Protection Fund (IEPF) of the Central Government, after the expiry of seven years.

SUBSIDIARY

As on March 31, 2014, the Company has a wholly owned subsidiary, namely, Infotel Tower Infrastructure Private Limited, which carries on the business of manpower outsourcing and trading activities related to telecommunication operations. Information on the Subsidiary in terms of the provisions of Section 212 of the Companies Act, 1956 is annexed and forms part of this Report as Annexure-I.

Pursuant to the General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors have consented for not attaching the balance sheet, statement of profit & loss and other documents as set out in section 212(1) of the Companies Act, 1956 in respect of the subsidiary company for the year ended March 31, 2014.

Annual accounts of the subsidiary company, along with related information are available for inspection at the Company's registered office and the registered office of the subsidiary company. Copies of the annual accounts of the subsidiary company will also be made available to the shareholders - upon request.

The statement pursuant to the above referred circular has been annexed as part of the Notes to Consolidated Accounts of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with Clause 32 of the Listing Agreement, the consolidated financial statement prepared in accordance with the Accounting Standard AS-21 read with Accounting Standard AS-23 on Accounting for Investments in Associates, your Directors have pleasure in presenting the Consolidated Financial Statements together with Auditors Report thereon forms part of the Annual Report.

FIXED DEPOSITS

The Company has not accepted / renewed any deposits from the public under section 58A of the Companies Act, 1956 during the year.

AUDITORS' REPORT

The Statutory Auditors of the Company, M/s Khandelwal Jain & Co., Chartered Accountants, have submitted the Auditors' Report which have certain qualifications on Standalone and Consolidated Financial Statements for the period ended March 31, 2014.

MANAGEMENT'S EXPLANATION TO THE AUDITORS' OBSERVATIONS:

Auditors' Observation

1. Point no. 4 of the Auditors Report which summarises the basis of qualified opinion *"As mentioned in Note 27(8)(a) to the Financial Statements, based on Company`s request, Corporate Debt Restructuring (CDR) cell vide their letter dated August 13, 2009 (CDR letter) has revised the terms of CDR scheme with effect from April 1, 2009. The Company has accounted for the impact of revised CDR scheme as approved by CDR Cell after complying with most of the terms and conditions stipulated therein, however compliance of the some of them is still in process. These financial statements do not include any adjustment which may arise due to inability of the management to fulfill the remaining conditions precedent."*

Management's Explanation

Except for the Reduction of Capital, the Company had given effect to all the terms and conditions of the revised Corporate Debt Restructuring (CDR) Scheme. As of March 31, 2014, Compliance of the condition with regard to reduction of Issued, Subscribed and Paid-up Equity Share Capital of the Company was under process. The Company had filed the petition for Reduction of Paid up Equity Capital and the same has been approved by the Hon'ble Bombay High Court vide its Order dated July 4, 2014. Certified Copy of the Order has been filed with the Registrar of Companies, Mumbai, Maharashtra and the reduction would become effective from the date of registration of the said Order by the Registrar of Companies. Impact of reduction of capital would be reflected in the financials thereafter.

Auditors' Observation

2. *The accumulated loss of the Company as at March 31, 2014, is more than fifty percent of its net worth as at that date. The Company has incurred cash loss during the period. In the immediately preceding financial year also, the company had incurred cash loss.*

Management's Explanation

The accumulated losses of the Company as at March 31, 2014 are more than fifty percent of its net worth as at that date. The management acknowledges the erosion of net worth as stated by the Auditors. The cash loss in the current year and cash profit in the previous year are matters of fact flowing from the audited financial statements. The losses are due to declining market of the fixed line business and high operating cost. The management is confident of generating cash flows from business operations through increasing subscribers base and other value added services.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance.

The detail report on Corporate Governance, Management Discussion and Analysis Report as well as Corporate Governance Compliance Certificate are attached pursuant to the requirements of clause 49 of the listing agreement and form part of this Annual Report.

HUMAN RESOURCE (HR) DEVELOPMENT

Human Resource Development is considered to be vital in any organisation for the effective implementation of its business plans. Constant endeavors' are being made by the Company through various HR policies and processes aimed for professional growth and opportunities and recognitions of the employees in order to effectively motivate the employees at all levels in the drive for growth and expansion of the business. Regular innovative programs for learning and development are also drawn up constantly in order to create an encouraging and conducive work environment for empowering the employees at all levels and maintaining a well structured reward and recognition mechanism. The Company encourages its employees to strengthen their entrepreneurial skills in order to enhance the Organization's productivity and creativity.

The Company has constituted a Grievance Redressal Committee (GRC) under the provisions of Section 4 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The committee meets regularly to discuss if any complaint of sexual harassment have been lodged. However no instance of sexual harassment was observed during the period under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under: -

(i) that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanations for any material departures;

(ii) that the Directors have selected appropriate accounting policies and applied them consistently, made changes wherever required, disclosed the same in the financial statements wherever applicable and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss incurred by the Company for the said period;

(iii) that proper and sufficient care has been taken 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) that the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

ACKNOWLEDGEMENTS

Your Directors wish to express their gratitude for the wholehearted support received throughout the year from the Department of Telecommunications, Financial Institutions, Banks, Lenders and the various Central and State Government Departments, Business Associates, Shareholders and Subscribers.

Your Directors take this opportunity to put on record their sincere appreciation for the contribution made by the employees at all levels.

For and on behalf of the Board of Directors

Yatinder Vir Singh
Director

Rahul Sethi
Director

Place : Mohali
Date : August 9, 2014

Annexure - I

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

[RELATING TO SUBSIDIARY COMPANY – INFOTEL TOWER INFRASTRUCTURE PRIVATE LIMITED (CIN: U10300PB2008PTC032171)]

1.	Name of the Company		Infotel Tower Infrastructure Private Limited
2.	Financial Year ended on		31.03.2014
3.	Shares of the Subsidiary held by the Company on the above date		
	(a)	Number and Face Value	10,000 equity shares of Rs.10/- each
	(b)	Extent of Holding	100%
4	Net aggregate of profits/(losses) of the subsidiary for the above financial year so far as they concern members of the Company (Rs.)		
	(a)	dealt with in the accounts of the Holding Company for the year ended on March 31, 2014	(53,23,201)
	(b)	not dealt with in the accounts of the Holding Company for the year ended on March 31, 2014	Nil
5.	Net aggregate of profits/(losses) of the Subsidiary Company for its previous financial year since it became a subsidiary so far as they concern the members of the Company (Rs.)		
	(a)	dealt with in the accounts of the Holding Company for the period ended March 31, 2013	(51,27,742)
	(b)	not dealt with in the accounts of the Holding Company for the period ended March 31, 2013	Nil

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2013-14

(As required under Clause 49 of the Listing Agreement entered into with Stock Exchange)

Corporate Governance assumes increasing importance in establishing credibility and trust for long term sustainability of a business enterprise. It encompasses the effective management of relationships among constituents of the ecosystem - shareholders, management, staff members, customers, vendors, governments regulatory authorities and community at large. These relationships can be strengthened through corporate fairness, transparency, empowerment and compliance with the law in letter and spirit. The Company takes proactive approach and revisits its governance practices from time to time so as to meet business and regulatory needs.

1. Company's Philosophy and Principles on Corporate Governance

Philosophy

The Company's philosophy on Corporate Governance comprises of Transparency, Accountability, Integrity, Fairness, Purposefulness, Trust, Communication and Quality with ultimate aim of value creation for all Stakeholders are the focus of Company's growth strategy.

Principles

Company has laid a strong foundation for making Corporate Governance as the way of life by implementing a Corporate Governance Policy. The Policy is based on highest standard of Corporate Governance practices, which apart from fulfilling the requirements of clause 49 of the listing agreement entered with Stock Exchanges laid stress on complete transparency, business ethics and social obligations of the Company. The Company's philosophy on Corporate Governance is based on the following two core basic principles:

- ❖ Management must have executive freedom to drive the enterprise forward without undue restraints.
- ❖ This freedom of Management should be exercised within the framework of effective accountability

The Corporate Governance in the Company, based on the principles and philosophy as mentioned above, takes place at three interlinked levels i.e.,

a) Strategic supervision by the Board of Directors.

b) Monitoring by various Committees of the Board of Directors.

c) Periodical Reporting and Disclosures.

2. Board of Directors

(A) Composition of the Board

As on March 31, 2014, the Board of Directors of the Company consists of five non-executive Independent Directors as per the details mentioned in the table given below. The Board Members possess requisite management skills and adequate experience and expertise. The Board directs and reviews the overall business operations of the Company; the day-to-day affairs are being managed by the Business Heads.

None of the directors are members in more than ten Committees and/or Chairman of more than five Committees across all companies in which they are directors. All Directors have made necessary disclosures regarding Committee position.

Board of Directors as at 31.03.2014

Name of the Director	Date of Appointment	Category	No. of other Directorships	No. of other Committee Memberships *	No. of other Committee Chairmanships *
Mr. Rahul Amarnath Sethi	17.03.2012	ID/NED	NIL	NIL	NIL
Mr. Babu Mohanlal Panchal	09.04.2010	ID/NED	NIL	NIL	NIL
Mr. Yatinder Vir Singh	09.04.2010	ID/NED	2	1	NIL
Mr. Vinay Kumar Monga	09.04.2010	ID/NED	NIL	NIL	NIL
Mr. Viney Kumar** (Nominee Director of IDBI Bank)	29.09.2009	ID/NED/ NOMINEE	3	3	NIL

***Mr. Rajeev Kumar has been appointed as Nominee Director of IDBI Bank Ltd, in place of Mr. Viney Kumar, w.e.f. 21.04.2014*

Note:

C-Chairman; NED–Non Executive Director; ID-Independent Director, NID-Non Independent Director; PD–Promoter Director

**Only Includes Membership / Chairmanship in other Public Limited Companies and excludes Private Companies and foreign Companies.*

Committees considered are Audit Committee and Share Transfer & Investors' Grievance Committee.

No Director is related to any other Director on the Board in terms of the definition of relative' given under the Companies Act, 1956,

B) Information Placed before the Board

During the year 2013-14, information as mentioned in Annexure IA to Clause 49 of the Listing Agreements were placed before the Board which includes the following matters :

- ➢ Minutes of all Committee Meetings;
- ➢ Annual & Quarterly, Audited & Un-audited Financial Results of the Company;
- ➢ Annual Operating Plans, Budgets and updates

thereon;

- Information on recruitment, resignation and remuneration of all senior officers just below the Board level including appointment of Chief Financial Officer, Manager and Company Secretary;
- Show cause, demand, prosecution notices, penalty notices etc. which are materially important, have significant financial implications.
- Material default in financial obligations, if any, to and by the Company or substantial non-payment for goods sold or services rendered by the Company;
- Non-compliance of any regulatory and statutory requirements or listing requirements and shareholders' service;
- Details of any joint venture or collaboration agreement;
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Legal Compliance reports and Certificates.
- Accounts of the subsidiary Companies.
- Minutes of Unlisted Subsidiary Companies

(C) Code of Conduct

The Company has a Code of Conduct for members of the Board and Senior Management. The Code lays down, in detail, the standards of business conduct ethics and governance.

A copy of the Code has been put on the Company's website, (*www.connectzone.in)*

The Code has been circulated to all the members of the Board and Senior Management and they have affirmed compliance of the same. A declaration signed by the Manager as defined u/s 2(53) of the Companies Act, 2013 to this effect forms part of this report.

(D) Attendance at the Board Meetings/ Annual General Meeting

The Board meets every quarter to review and discuss the operations and operating results and financials apart from other items pertaining to statutory compliances and routine administrative items on the agenda.

Additional board meetings are held whenever required. During the financial year ended 31.03.2014, 7(Seven) Board Meetings were held and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

29th May 2013, 10th August 2013, 27th September 2013, 14th November 2013, 30th December 2013, 11th January 2014 and 14th February 2014.

The 66th Annual General Meeting (AGM) of the shareholders was held on September 27, 2013.

ATTENDANCE AT BOARD MEETINGS / AGM IN THE FINANCIAL YEAR - 2013-14			
Name of the Director	**No. of Board Meetings Held/Attended -**		**Last AGM attended (Yes/No)**
	Held	**Attended**	
Mr. Rahul Amarnath Sethi	7	4	No
Mr. Babu Mohanlal Panchal*	7	2	Yes
Mr. Yatinder Vir Singh	7	6	No
Mr. Viney Kumar (Nominee of IDBI Bank Ltd)	7	2	No
Mr. Vinay Kumar Monga	7	7	No

**Chairman of the Audit Committee*

(E) Brief Profile of Directors seeking appointment/re-appointment:

The brief profile of directors seeking appointment are appended to the Notice convening the Sixty Seventh Annual General Meeting.

3. Committees of the Board

The Board has constituted various Committees for smooth and efficient operations of Company's activities. The Committees meet at regular intervals to review their respective areas of operation. The draft minutes of the proceedings of each Committee meeting are circulated to the members of that Committee for their comments and thereafter, confirmed by the respective Committee in its next meeting. The proceedings of all such Committee meetings are regularly placed before the Board.

(A) Audit Committee

As on 31.03.2014, the Audit Committee comprised of the following members:

- Mr. Babu Mohanlal Panchal (Chairman)
- *Mr. Viney Kumar (Nominee of IDBI Bank Ltd) - Member
- Mr. Yatinder Vir Singh - Member
- Mr. Vinay Kumar Monga – Member

** Mr. Rajeev Kumar has been appointed as member of Audit Committee in place of Mr. Viney Kumar, of IDBI Bank Ltd w.e.f. 29.04.2014*

The constitution of the Audit Committee is in line with the provisions of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013; Mr. Babu Mohanlal Panchal - a Qualified Chartered Accountant is the Chairman of the Audit Committee. The Committee meets regularly and the Statutory Auditors, Cost Auditors, the Internal Auditors, and other senior officers including the Chief Financial Officer (CFO) are permanent invitees to the Committee Meetings. The quorum for the Audit Committee is two independent members. The Company Secretary is the *de-facto* Secretary of the Committee. The Chairman of the Audit Committee was present at the Annual General Meeting held on September 27, 2013.

Broad Terms of reference, as stipulated by the Board, to the Audit Committee are as follows:

- Overview 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.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees and payment for any other service.
- Approval of appointment of the Cost Auditor & Internal Auditor.
- Reviewing, with the management, the annual financial plans and financial statements before submission to the Board for approval, with particular reference to:
  - **a.** Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
  - **b.** Changes, if any, in accounting policies and practices and reasons for the same
  - **c.** Major accounting entries involving estimates based on the exercise of judgment by management
  - **d.** Significant adjustments made in the financial statements arising out of audit findings
  - **e.** Compliance with listing and other legal requirements relating to financial statements
  - **f.** Disclosure of any related party transactions
  - **g.** Qualifications, if any, in the draft Audit Report.
- Reviewing, with the management, among others, the following matters:
- Quarterly financial statements before submission to the Board for approval
- Statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company wherever it is necessary Evaluation of internal financial controls and risk management systems
- Performance of Statutory Auditors, including Cost Auditor and Internal Auditors adequacy of the internal control systems.
- Adequacy of internal audit function, 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.
- Discussion with internal auditors of any significant findings and follow up there on.
- 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.
- Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the Whistle blower mechanism.
- 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.

The Audit Committee has been mandatory authorized to review the following information:

- Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions, submitted by the management

- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of internal auditors / chief internal Auditor

The Audit Committee is also vested with the following powers:

- To investigate any activity within its terms of reference
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

During the year under review, Six Audit Committee meetings were held on the following dates:

29th May 2013, 10th August 2013, 27th September 2013, 14th November 2013, 11th January 2014 and 14th February 2014

The Attendance of the members at the Audit Committee Meetings was as under:

Name of the Members	No. of Meetings held during the tenure	No. of Meetings Attended
Mr. Babu Mohanlal Panchal	6	2
Mr. Viney Kumar (Nominee of IDBI Bank)	6	2
Mr. Yatinder Vir Singh	6	6
Mr. Vinay Kumar Monga	6	6

(B) Nomination and Remuneration Committee

Consequent upon the reconstitution of the Remuneration Committee as per the provision of Companies Act 2013 and clause 49 of the Listing Agreement, the committee is renamed as Nomination & Remuneration Committee.

The Nomination and Remuneration Committee comprised of the following Non Executive Independent Directors:

Mr. Rahul Amarnath Sethi was appointed as a Member and Chairman w.e.f. May 30, 2014. Mr. Babu Mohanlal Panchal, Mr. Yatinder Vir Singh and Mr. Vinay Kumar Monga are the other Members of the Committee.

The Company Secretary is the de-facto Secretary to the committee.

The terms and reference of Nomination and Remuneration Committee as per the Companies Act 2013 is as follows:

1. The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees (senior management).
3. Review, recommend and/ or approve the modification in the remuneration of the independent/non-executive directors, key managerial personnel, senior management of the Company;
4. The Committee shall, while formulating the policy ensure that:-
   - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
   - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

During the year under review, one Remuneration Committee meeting was held on 28thMarch, 2014.

The Attendance of the members at the Nomination and Remuneration Committee Meetings as on March 31, 2014 was as under:

Name of the Members	No. of Meetings held during the tenure	No. of Meetings Attended
Mr. Babu Mohanlal Panchal	1	NIL
Mr. Yatinder Vir Singh	1	1
Mr. Vinay Kumar Monga	1	1

Directors Remuneration:

a. No other remuneration is paid to the Non-Executive Directors.

b. The Company pays sitting fees to all the Non-Executive Directors at the rate of Rs.5000/- for each meeting of the Board and/or Committee. However, no Sitting Fees is paid for Share Transfer In-House Committee meetings.

The details of Sitting Fees paid to Directors during the financial year 2013-14 was as under: -

Name of the Director	Sitting Fee Paid (Rs.)			
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	STIG Committee Meeting
Mr. Rahul Amarnath Sethi	20,000	N.A.	N.A.	N.A.
Mr. Babu Mohanlal Panchal	10,000	10,000	Nil	5,000
Mr. Yatinder Vir Singh	30,000	30,000	5,000	5,000
Mr. Viney Kumar** (Nominee of IDBI Bank)	10,000	10,000	N.A.	N.A.
Mr. Vinay Kumar Monga	35,000	30,000	5,000	5,000

*** Sitting Fee was paid to the IDBI Bank Ltd*

Stock Option:

The Company has not issued any Stock Options

(C) Stakeholders Relationship Committee

Consequent upon the reconstitution of the Share Transfer and Investors' Grievance Committee as per the provision of the Companies Act 2013, the committee is renamed as **Stakeholders Relationship Committee (SRC).**

The **Stakeholders Relationship Committee** – which is a Board level Committee approves the transfer/ transmission/transposition in excess of 5000 shares pertaining to any single shareholder;

The **Stakeholders Relationship Committee** consisted of the following members:

Mr. Rahul Amarnath Sethi was appointed as a Member and Chairman w.e.f. May 30, 2014. Mr. Babu Mohanlal Panchal, Mr. Yatinder Vir Singh and Mr. Vinay Kumar Monga are the other Members of the Committee.

Terms of reference and Scope of the Committee:

- To look into the redressal of shareholders complaints in respect of transfer / transmission / transposition split of shares, issue of duplicate share certificates and non-receipt of dividend etc.
- to oversee the performance of Registrar and Share Transfer Agent and recommends measures for overall improvement in quality of investor services etc.

Compliance Officer

Mr. Kapil Bhalla, Company Secretary is the Compliance officer.

Details of Complaints received and redressed during the year ended March 31, 2014

Particulars	Received	Redressed	Pending as on 31.03.2014
Investors Complaints	0	0	NIL

This Committee meets on need basis to approve the share transfers/ transmission in excess of 5000 shares pertaining to any single shareholder as well as the issue of duplicate share certificates. In respect of requests received for "Loss of shares", only the SRC Committee is empowered to issue the duplicate share certificates. During the year under review one Share Transfer and Investors' Grievance Committee meeting was held on 10th August, 2013:

The Attendance of the members at the Stakeholders relations ship Committee Meetings as on March 31, 2014 was an under:

Name of the Members	No. of Meetings held during the tenure	No. of Meetings Attended
Mr. Babu Mohanlal Panchal	1	1
Mr. Yatinder Vir Singh	1	1
Mr. Vinay Kumar Monga	1	1

(D) Share Transfer In-house Committee (STIC)

Besides the STIG which consists of Board Members, there is another In-house Committee known as the Share Transfer In-House Committee (STIC), which meets every 10 days for the approval of transfer/transmission/transposition/ split of physical shares for quantities up to 5,000 shares pertaining to any single shareholder, in each individual transaction, and to take on record / note the remat/demat of shares done by the Registrar and Share Transfer Agent (RTA) every 10 days in terms of the Listing Agreement and to comply the requirement of SEBI Circular dated July 5, 2012 effective from October 1, 2012 to expedite the process for transfer/transmission of shares, apart from the redressal of shareholders' complaints.

As of March 31, 2014, the STIC consisted of the following members:

1. Mr. Babu Mohanlal Panchal, Director
2. Mr. Yatinder Vir Singh, Director
3. Mr. Vinay Kumar Monga, Director
4. Mr.Sunil Jit Singh, Chief Financial Officer
5. Mr. Kapil Bhalla, Company Secretary & Manager as defined u/s 2(53) of Companies Act 2013

However, this Committee is not empowered to issue duplicate shares in case of loss of share certificate(s) but is only authorized to issue duplicate certificate(s) in cases where mutilated / torn / partially burnt original shares certificates are surrendered to the Company.

4. General Body Meetings

The location and time of the last three Annual General Meetings was as under:

Date	AGM No.	Location	Time
30.09.2011	64th	Autocars Compound, Adalat Road, Aurangabad, 431005, Maharashtra	12.00 Noon
28.09.2012	65th	Autocars Compound, Adalat Road, Aurangabad, 431005, Maharashtra	12.00 Noon
27.09.2013	66th	Autocars Compound, Adalat Road, Aurangabad, 431005, Maharashtra	12.00 Noon

During the year, no Extra Ordinary General Meeting of the shareholders was held.

Details of Special Resolutions passed:

- **Annual General Meeting held on 30th September, 2011** following Special Resolutions were passed
  - Appointment of M/s Khandelwal Jain & Co., Chartered Accountants, as the Statutory Auditors of the Company under Section 224, 224A of the Companies Act 1956
  - Amendment in the terms & conditions of 2% Cumulative Redeemable Preference Shares (CRPS) of Rs.100 each issued in accordance with the CDR Scheme.
  - Amendment in the terms & conditions of the Secured Non Convertible Debentures of Rs.100 each in accordance with the CDR Scheme.
- **Extra Ordinary Meeting held on July 18, 2012**, following Special Resolutions were passed:-
  - Alteration of Article no. 5 of Articles of Association pertaining to Share Capital of the Company.
  - Approval for reduction of Issued, Subscribed and Paid Up Equity Share Capital subject to the approval of High Court and consequent alteration of Clause V of the Memorandum of Association.
  - Re-Appointment of Manager under Section 269 of Companies Act, 1956
- **Annual General Meeting held on 28th September, 2012**, the following Special Resolution was passed:-
  - Appointment of M/s Khandelwal Jain & Co., Chartered Accountants, as the Statutory Auditors of the Company under Section 224, 224A of the Companies Act 1956
- **Annual General Meeting held on 27th September, 2013**, the following Special Resolution was passed:-
  - Appointment of M/s Khandelwal Jain & Co., Chartered Accountants, as the Statutory Auditors of the Company under Section 224, 224A of the Companies Act 1956

Postal Ballot

No voting through Postal Ballot was done during the financial year 2013-14.

Resolutions Proposed to be passed through Postal Ballot

The Company is in the process of getting following Special Resolutions passed through Postal Ballot:

1. Special Resolution under Section 180(1)(c) of the Companies Act, 2013, for authorizing the Board of Director of the Company to borrow money/moneys upto an amount not exceeding Rs.5,000 Crores.
2. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for authorizing the Board of Directors to sell, lease, mortgage or otherwise dispose off the whole or substantially the whole of the undertaking of the Company upto an amount not exceeding Rs.5,000 Crores.
3. Special Resolution under Section 186 of the Companies Act, 2013, for authorizing the Board of Directors to make investments, extend guarantee, provide security and make inter-corporate loans upto an amount not exceeding Rs.500 Crores

Procedure for conducting Postal Ballot

The Postal Ballot is being conducted in accordance with the provisions of Section 110 and other applicable provisions of the Companies Act, 2013, read together with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) to seek approval from the Shareholders. The result of the Postal Ballot would be declared on Friday, 12th September, 2014 at 12.00 Noon at the Registered Office of the Company and will be displayed on the website of the Company and also on the website of CDSL and will be intimated to Stock exchange. The result will also be published in the Times of India and Loksatta newspapers.

The Board has appointed Ms. Kanchan A. Kakade, Practicing Company Secretary as the Scrutinizer for conducting the process of voting through Postal Ballot in a fair and transparent manner.

5. Disclosures

a)	Materially significant related party transactions i.e. transactions of the Company of material nature with Promoters, Directors, Management, Subsidiaries or Relatives etc. that may have potential conflict with the interests of the Company at large.	There are no transactions which may have potential conflicts with the interest of the Company at large. Transactions with the related parties are disclosed in Note no. 27(18) of the Notes forming part of the financial statement in the Annual Report.

(b)	Non-Compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during the last three years.	NIL
(c)	Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee	The Company has implemented Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee
(d)	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:	Mandatory requirements have been complied with and non mandatory requirements like constitution of remuneration committee and implementation of Whistle Blower Policy have also been adopted by the Company

6. Means of Communication

A. The Quarterly, Half Yearly and Annual Financial Results are published in "The Financial Express" - English daily and "Loksatta" - vernacular language paper and forwarded to Stock Exchange immediately.

B. The Company's official website *www.connectzone.in* contains a separate dedicated section 'Investor Relations' where the shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

C. All material information about the Company is promptly sent through facsimile and email to the Bombay Stock Exchange (BSE), where the shares of the Company are listed.

D. Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

E. Annual Report, Quarterly Financial Results, Shareholding Pattern, etc of the Company as on March 31, 2014 were also posted on the website of the Company: *www.connectzone.in*.

7. Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of the Annual Report

8. General Shareholder Information

a. **67th Annual General Meeting**

The 67th Annual General Meeting of the Company is proposed to be held as per the following Schedule:

Day	Tuesday
Date	September 30, 2014
Time	12.00 Noon
Venue	Autocars Compound, Adalat Road, Aurangabad – 431005, Maharashtra

b. **Financial Year and Financial Calendar**

Financial Year :1st April to 31st March

c. **Financial Calendar of the Company (Tentative)**

Results for the First Quarter	On or before 14th August, 2014
Results for the Second Quarter	On or before 14th November 2014
Results for the Third Quarter	On or before 14th February 2015
Results for the Fourth Quarter	On or before 30th May 2015
Annual General Meeting for the financial year ending March 31, 2015	On or before 30th September, 2015

d. **Dates of Book Closure**

Company's Register of Members and Share Transfer Books will remain closed from September 23, 2014 to September 30, 2014 (both days inclusive) for the purpose of the Annual General Meeting.

e. **Dividend payment date:**

The Board has not recommended any dividend for the financial year ended March 31, 2014

f. **Listing of Equity Shares on Stock Exchanges**

Company's shares are listed on **BSE Limited (BSE)** As at March 31,2014, the issued, subscribed and paid up equity share capital of the Company consists of 612,260,268 equity shares of Rs.10/- each. The Equity Shares of the Company are listed on the BSE Limited (BSE). The Company has paid the requisite Listing Fee up to 31.03.2015.

g. **Scrip Code**

BSE 511116

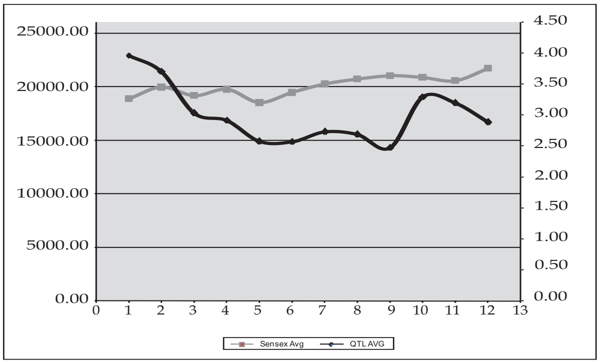
h. **Stock Price Data**

The reported high and low closing prices of the Company's shares traded during the fiscal 2013-2014 on the Bombay Stock Exchange are given below:

Month	High	Low
Apr'13	4.40	3.52
May'13	4.20	3.21
Jun'13	3.50	2.56
Jul'13	3.32	2.51
Aug'13	3.08	2.07
Sep'13	3.14	2.00
Oct'13	3.22	2.24
Nov'13	3.27	2.10
Dec'13	2.84	2.11
Jan'14	4.34	2.25
Feb'14	3.49	2.90
Mar'14	3.32	2.45

Performance in comparison to BSE Sensex

QTL Share Price and BSE Sensex movement



i. **Registrar & Share Transfer Agents**

M/s. Cameo Corporate Services Ltd. Subramaniam Building, No.1, Club House Road, Anna Salai, Chennai-600 002 who provide services relating to shares.

j. **Share Transfer System**

Applications for transfer of shares held in physical form are received at the office of the Registrar & Share Transfer Agents of the Company. All valid transfers are processed within 15 days from the date of receipt. The Company has pursuant to Clause 47 (c) of the Listing Agreement entered with the Stock Exchange, submitted within stipulated time, certificate of half yearly basis confirming due compliance of share transfer formalities by the Company from practicing Company Secretary.

k. **Distribution of Shareholding as on 31st March, 2014**

Shareholding of Nominal Value	Shareholders		Shareholding	
Rs.	Number	% of total	Rs.	% of total
10 - 5000	10483	67.8555	19028670	0.3107
5001 - 10000	1971	12.7581	17546230	0.2865
10001 - 20000	1187	7.6833	19584040	0.3198
20001 - 30000	414	2.6797	10945360	0.1787
30001 - 40000	204	1.3204	7486890	0.1222
40001 - 50000	323	2.0907	15649900	0.2556
50001 - 100000	439	2.8416	34834960	0.5689
100001 & Above	428	2.7704	5997526630	97.9571
Total :	**15449**	**100.0000**	**6122602680**	**100.0000**

Shareholding Pattern as on 31stMarch, 2014

Cate-gory Code	Category of shareholders	No. of Share-holders	Total no. of shares	As a percent-age of (A+B+C)
A	**Shareholding of Promoter and Promoter Group**			
1	Indian Bodies Corporate	1	326705000	53.3605
2	Foreign	0	0	0
	Sub Total (A)	1	**326705000**	**53.3605**
B	**Public Shareholding**			
1	Institutions	8	183482252	29.9680
2	Non-Institutions:			
	-Bodies Corporate	354	76677836	12.5237
	- Individuals	14638	22870184	3.7353
	-Others	448	2524996	0.4125
	Sub – Total (B)	**15448**	**285555268**	**46.6395**
	TOTAL (A)+(B)	**15449**	**612260268**	**100.0000**
C	**Shares held by Custodians and against which Depository Receipts have been issued**	0	0	N.A.
	GRAND TOTAL (A)+(B)+(C)	**15449**	**612260268**	**100.0000**

l. **Dematerialization of Shares**

As on 31st March, 2014, 99.81% of the issued Equity Share Capital of the Company is held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

m. **Outstanding GDR/ADR or Warrants**

As on date there are no Global Depository Receipts (GDR), American Depository Receipts (ADR) or Warrants pending conversion and likely to impact the equity share capital of the Company

n. **Corporate Office**

Company's corporate Office is located at:

B-71, Phase VII,
Industrial Focal Point,
Mohali - 160 055.(Punjab)

o. **Address for Correspondence**

The Company Secretary

QUADRANT TELEVENTURES LIMITED
Autocars Compound,Adalat Road,
Aurangabad – 431005, Maharashtra
0240-2320754;
E-mailAddress: secretarial@infotelconnect.com

DECLARATION

The Board of Directors laid down a code of conduct for all the Board Members and senior management which is posted on the website of the Company. Board members and senior management have affirmed compliance with the code of conduct.

For QUADRANT TELEVENTURES LIMITED

Place: Mohali
Date: August 9, 2014

KapilBhalla
Company Secretary & Manager
u/s 2(53) of Companies Act, 2013

CERTIFICATION

To,

The Board of Directors
Quadrant Televentures Limited

We, Kapil Bhalla Company Secretary & Manager as defined u/s 2(53) of the Companies Act 2013 and Sunil Jit Singh, Chief Financial Officer (CFO) certify to the Board that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2014 and to the best of our knowledge and belief:
   - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
   - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.

(b) To best of our knowledge and belief, no transactions entered are fraudulent, illegal or violate of the Company's code of conduct.

(c) We accept the responsibility for establishing and maintaining internal controls for financial reporting, evaluate the effectiveness, disclosing the deficiencies in the design or operation of internal controls, if any, to the Auditors and the Audit Committee and take steps to rectify these deficiencies.

(d) We have indicated wherever applicable to the Auditors and the Audit Committee:
   - (i) Significant changes in internal control over financial reporting during the year.
   - (ii) Significant changes in accounting policies, the same have been disclosed in the notes to the financial statements; and
   - (iii) Instances of significant frauds of which we have became aware,

For Quadrant Televentures Limited

(SUNIL JIT SINGH)
Chief Financial Officer

(KAPIL BHALLA)
Company Secretary & Manager
as defined U/S 2(53)
of the Companies Act 2013

Place: Mohali
Date: August 9, 2014

CERTIFICATE BY PRACTICING COMPANY SECRETARY

On Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement(s)

To,
The Members of
Quadrant Televentures Limited
Aurangabad, Maharashtra

We have examined the compliance of conditions of Corporate Governance by Quadrant Televentures Limited (the company) for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement (s) of the said Company with the Stock Exchange (s).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit not 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 Clause 49 of above mentioned Listing Agreement(s).

We 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 Arora & Gujral
Company Secretaries

(VISHAL ARORA)
PARTNER
C.P. NO. 3645

Place: Mohali
Date: August 9, 2014

MANAGEMENT DISCUSSION & ANALYSIS REPORT

BUSINESS OVERVIEW

Quadrant Televentures Limited is a Unified Access Services Licensee and an Internet Service Provider in the Punjab Telecom Circle comprising of the state of Punjab, the Union Territory of Chandigarh and the Panchkula town of Haryana. The Company started its operations as a fixed line service provider under the brand name "CONNECT" in the year 2000. Subsequently, the Company was granted the UASL License (Unified Access Services License) in the Punjab Telecom Circle in 2003; In September 2007, the Company had launched its CDMA based full mobility services under the brand name "PING". In March 2010, the Company has also launched its GSM based Mobile Services in Punjab Telecom Circle. Apart from the UASL License, the Company also holds the ISP (Internet Service Provider) License for the Punjab Telecom Circle and the IP-1 (Infrastructure Provider-Category -1) License for providing services in the Punjab Telecom Circle.

Currently, the Company is providing GSM Mobile Services, Fixed Voice (Landline) services, DSL (Internet) services, Leased Line services and CDMA Mobile Services in the Punjab Telecom Circle.

As at 31.03.2014, the company had a total subscriber base of 19,90,122 telephony customers, including 16,33,655 GSM mobile customers, 212,798 fixed-line customers, 140,600 Broadband customers and 3,069 CDMA mobile customers.

The Company with its extensive optic fiber cable network of over 3800 km, provides services in over 150 cities / towns covering 52 of the 55 Short Distance Charging Areas ("SDCA") of Punjab Telecom Circle, as defined by the Department of Telecommunications, Government of India.

The Company had launched it's GSM Mobile Services in March 2010, in Punjab Telecom Circle. Presently almost all the major players are providing Mobile Services in Punjab Telecom Circle; GSM Services have been launched by the company in a substantial part of the Circle and despite tough competition from various established players, the company is steadily increasing its market share.

Key Business and Financial highlights for the financial year ended 31.03.2014 are as under:

- GSM Mobile Subscriber base increased by 18% to 1,633,655 (previous year 1,376,202)
- Broadband customer base increased by 17% to 140,600 (previous year 119,879)
- Fixed Voice/ Landline Subscriber base increased by 13% to 212,798 (previous year 187,944)
- CDMA mobile customers base has gone down at 3,069 (previous year 17,456)
- During the financial year 2013-14, the gross revenue was Rs. 4089.39 million, which was higher by 23.05% as compared to previous year.

ECONOMY AND INDUSTRY OVERVIEW

Macro Economic Situation

According to the Economic Survey 2013-14 of Government of India, the gross domestic product (GDP) is expected to grow at 5.4-5.9 per cent in FY15. The Survey reports that the services sector constituted a 57 per cent share in GDP at factor cost (at current prices) in FY 14. India has the second fastest growing services sector with compound annual growth rate (CAGR) of 9 per cent.

India is currently the world's second-largest telecommunications market and has registered exceptional growth in the past few years. The reasons for growth of the telecom sector in India are reform measures by the Government of India, active participation of the private sector, and wireless technology.

Telecom Industry Situation

The Indian telecom sector and subscriber base have witnessed tremendous growth over the past decade, catalysed by increasing fixed and mobile network coverage and a competition-induced decline in tariffs. Demand has surged, largely due to these factors, as well as the growth of broadband Internet access, a rapid proliferation of smart mobile devices and higher levels of video traffic on consumer and business networks. The key factors which are likely to fuel growth are a growing subscriber base, mobile applications and technologically advanced end-user devices as well as launch of 3G services by Operators.

To propel the Indian economy forward, the government is using the telecom industry as an effective channel to reach and serve its citizens. The National Telecom Policy-2012 has targeted 100 per cent tele-density and 600 million broadband connections by 2020. It has visualised doubling the current telecom capacity and increasing its reach to 95 per cent of India while providing broadband level of internet capability.

Department of Telecommunication (DoT) is promoting a vision of 'green telecom' by which it plans to convert 50 per cent of urban and 30 per cent of rural towers to renewable energy. Various policy initiatives by the Indian government have led to a complete transformation of the industry in the last decade. It has achieved a phenomenal growth during the last few years and is poised to grow further.

KEY INDUSTRY DEVELOPMENTS

Growth & Market Trends

Indian Telecom market had 933 million connections as on March 31, 2014 (as against 898.02 million telecom subscribers as at March 31, 2013). With 904.51 million wireless connections there is a net addition of over 1.15 million connections per month which puts the telecom sector on strong footing.

The share of private sector in total telephony is 87.01%. Overall teledensity has reached 74.50%. Urban Tele-density is about 145.39%, whereas rural teledensity is at 43.13% which is also steadily increasing. Broadband connections have also crossed 60.87 million connections. However the number of Landline users has decreased mainly due to the increasing use of mobile handsets due to convenience of use and , accessibility and features like telephony directory and SMS coupled with cheaper or more affordable tariffs.

Data is the driving factor of growth in telecommunications. There is significant growth opportunity for the data segment, especially in the rural areas where 3G and BWA are yet to make significant inroads. Data traffic powered by third-generation (3G) services grew at 146 per cent in India in 2013, higher than the global average, according to an MBit Index study by Nokia Siemens Networks (NSN).

Broadband

Increase in Broadband connectivity is being seen as an integral driver of improved socio-economic performance. Broadband services empower masses and allow individuals to access new career and educational opportunities, help businesses reach new markets and improve efficiency and enhance the Government's capacity to deliver critical services like health, banking and commerce to all of its citizens.

Insights

- Broadband telephony in India has a great opportunity.
- When mobile broadband picks up, there will be greater scope for development.
- Wireless data services have captivated a major chunk of internet customers in India. Given the significant economic and social benefits, expanding affordable access to broadband has become a high priority for the Government. Various schemes have been launched by the Government for providing broadband connectivity to rural & remote areas
- With increase in penetration of smart devices, fixed line broadband demand is also increasing and multi device usage on Wi-Fi fuelling this demand.

Regulatory Developments / Changes

Telecom Regulatory Authority of India (TRAI) and Department of Telecommunications (DoT) had declared certain policy measures in the previous year which included key regulatory changes and developments undertaken by the TRAI and DoT. A number of recommendations on various telecom issues were made by TRAI during 2013-14 which, inter-alia, included recommendation on Reserve Price for Auction of Spectrum in the 800 MHz Band, recommendation on working guidelines for Spectrum trading, recommendation on Full Mobile Number Portability (Pan India Number Portability) etc. .

During the year, TRAI also issued various regulations such as Telecom Consumer Protection (Seventh Amendment) Regulations, 2013, Telecom Consumers Compliant Redressal (Second Amendment) Regulations 2013, The Mobile Banking (Quality of Service) (Amendment) Regulations, 2013 etc.

The DoT had also issued guidelines on Merger/Amalgamtion of Telecom Companies, guidelines for Issue of Unified Licences and also Issued Notice inviting application for auction of spectrum in 1800 MHz and 900 MHz Bands in December 2013 and concluded auction in February 2014 etc.

TRAI has also taken steps to ensure the quality of service provided by the service providers by way of monitoring the performance of Basic and Cellular Mobile Telephone Service on quarterly basis and also point of interconnection (POI) congestion through monthly reports. The above regulatory measures are expected to facilitate orderly growth of telecom sector by promoting healthy competition and enhancing investment efficiency besides protecting interests of consumers.

Future Perspective

After being in the overdrive for the last one decade, the telecom sector has now come in the grip of strong competition and licensing issues. Continuously falling call rates to woo customers has resulted in shrinking margins for almost all the players – established as well as new; while the older established players are able to survive on wafer thin margins, the going has become very tough for the new entrants especially in view of the high initial network costs and licensing issues. Currently the industry is faced with high overheads and operating costs and continuously shrinking margins and increasing competition. In wooing the premium segment customers on the basis of offering better network and wider coverage as well as better value added services. Also with the presence now of almost all the players in each and every telecom circle, there is an intense competition to retain and acquire new customers. While on one hand, the call charges have been continuously reducing in the face of intense competition, at the same time, there has been a continuous increase in the operating costs for the Service providers including network charges and costs of maintaining higher number of tower sites.

2G Licences

DoT issued Notice Inviting Application for Auction of Spectrum in the bands of 800MHz and 1800 MHz in December 12, 2013. The auction was conducted as a simultaneous Multiple Rounds Ascending (SMRA) e-auction over the internet and Eight companies, including Bharti Airtel, Vodafone, and Reliance Industries Ltd, had applied to bid in the auction of 900 MHz and 1800 MHz band and Auction was over after 11 days in February 2014 after 68 rounds of bidding.

In most of the circles the auction in 1800 MHz, Industry showed a balanced approach between the revenue for the exchequer and industry viability due to ample spectrum being put up for auctions. However, the bidding in 900 MHz band in Delhi, Mumbai and Kolkata was very aggressive resulted in artificial and unrealistic prices on account of shortage of spectrum and the unenviable position of the incumbents who were forced to bid for this spectrum to protect the interest of their customers and the huge investments made by them.

The Indian government has managed to raise Rs 61162.22 crores from the sale of 399.2 MHz of spectrum.

3G Services

3G Services facilitate a very high quality and faster internet services on the mobile phones apart from facilitating video-calling on the 3G enabled mobile handsets. Owing to the competition, the 3G services have been priced very competitively by the Industry; with the launching of these services. 3G Players have got an edge over the 2G players in the premium segment customers who have opted for these services. These services have been launched in all metros as well as major cities and towns and cities in 2011. Currently, about 3 million customers in India are using 3G services. With the advent of new and cheaper handsets being made available by different companies, the scope of these services is set to increase in the near future giving stiff competition to the 2G Players like your company.

Telecom Policy

National Telecom Policy-2012

National Telecom Policy-2012 which was issued on 13th June 2012 has the following major objectives:

- Provide secure, affordable and high quality telecommunication services to all citizens.
- Strive to create "One Nation - One License" across services and service areas.
- Increase rural tele-density from the current level of around 39 to 70 by the year 2017 and 100 by the year 2020.
- To recognize telecom, including broadband connectivity as a basic necessity like education and health and work towards 'Right to Broadband'.
- Enhanced and continued adoption of green policy in telecom and incentivize use of renewable resources for sustainability.
- Achieve substantial transition to new Internet Protocol (IPv 6) in the country in a phased and time bound manner by 2020.

The Policy will be implemented by issuing notifications from time to time.

IMPOSITION OF LICENSE FEE BY DOT ON THE INTERNET SERVICES PROVIDED BY THE COMPANY

Till June 30, 2012, no License Fee was payable by the Company as an Internet Service Provider (ISP).

The Department of Telecommunications – had initially exempted all Internet Service Providers (ISPs) and ISP-IT Licenses from License Fee; however effective July 1, 2012, the DoT imposed an initial License Fee @ 4% on the AGR (Adjusted Gross Revenue) on all ISPs. Effective April 1, 2013, a uniform License Fee of 8% on AGR (Adjusted Gross Revenue) has been imposed on all ISPs.

OPPORTUNITIES AND THREATS

Opportunities

Following rapid decline in equipment prices, Broadband Internet Access has emerged as a viable value-addition tool and growth driver for the wire line telephony segment. The Company has already deployed broadband network equipment in most of the areas served by the Company's wireline services.

It is felt that the largest growth driver in telecom market lies in the Mobile Segment. Realizing that mobile service is the largest growth opportunity and to corner a larger pie in the growing telecom market, the company is putting all out efforts in increasing its GSM mobile services – which were launched in March 2010.

The Company believes that the aforesaid expansion would provide economies of scale and improve the Company's financial position significantly. The proposed expansion would assist the Company to increase the top line growth and thereby, combat potential revenue stagnation and profitability pressures arising out of decline in tariffs and competition.

Threats

The competition in Punjab has always been very high; Currently all leading operators, namely, Airtel, Aircel, Vodafone, Idea, Tata and Reliance as well as the state run BSNL are very well established in the Punjab GSM Mobile Segment. Despite this competition, the company is making all out efforts in increasing the Subscriber base and revenues.

High level of competition causes tremendous pressure on new customer acquisitions, retention of existing customers and tariffs. The Deployment of 4G Technology also poses a threat to the existing Business.

OUTLOOK

The Company foresees high degree of competition in the years to come, especially in the mobile telephony segment. In terms of subscriber base, all existing mobile operators have shown a healthy growth pattern and no single major operators holds sway over the market.

The Company derives a substantial part of its earnings from wireline (copper based network) services.

RISKS & CONCERNS

As is the case with any infrastructure project, the Company is also exposed to a number of risks. Some key risks have been mentioned below:

1. **Financing Risks**

   The Company has made substantial investments in laying the core network infrastructure and launch of services in Punjab circle. However, to attract new customers, and to offer new / better services, the Company needs to continually make further investment in the expansion / up gradation of its network and the deployment of additional telecommunication services infrastructure entails significant capital expenditure.

Company's operating results and financial condition depends, among other things, on securing timely and significant financial resources at competitive rates to fund these expansions which are currently being funded by the Promoters.

2. **Market and Competition Risk**

The Company faces stiff competition for the mobile segment from other services providers in Punjab Circle. Most of the Company's competitors are already well-established brand names with an already existing all-India customer base, and potential to cross subsidize long-distance tariffs and intra-network tariffs.

3. **Regulatory Risks**

Telecom Policies in the areas of allocation of spectrum, EMF radiation, rollout obligation, Green technology issues, security guidelines and the decision to charge One Time Spectrum Charges within the contracted amount of spectrum etc. have all led to an increase in the costs as well as widespread litigation which is pending before various courts.

The Company's licences are for fixed periods and are subject to renewal of License for additional terms as well as availability of the bandwidth – both of which come at higher costs determined at the discretion of the Government – as well as the dynamic demand-supply forces in the market.

In the ordinary course of business, the Company is required to obtain various regulatory approvals, which mostly are recurring in nature viz., SACFA / WPC approval for frequency allocation, Right of Way for laying network cables, testing approval for interconnection with BSNL, TRAI approval for interconnection agreements and tariffs etc.

The Company obtains such approvals and would continue to apply for these approvals in future also;, delays in such approvals may result in time delays and cost overrun which could have an adverse effect on the business and operations of the Company. Stringent regulatory norms also add to the financial burden on the service providers by way of heavy penalties which are imposed by the Regulators as well as continuous technological up-gradation costs which the operators are required to continuously incur for providing additional facilities to the Subscribers.

4. **Risk of Rapid Technological Changes**

The telecommunication services industry is characterized by rapid technological change. Given the fast pace of technological innovation in the telecommunication sector, the Company faces the risk of its technology becoming obsolete and may need to invest significantly large .amounts to continuously upgrade its network for better and more efficient service to the subscribers.

5. **Dependence on Key Personnel**

The Telecom business is dependent on key senior executives and the loss of any of the Team could have a material adverse effect on the Company's business, operating results and financial condition.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The company has a very stringent internal control system in order to ensure that all assets and revenue streams are adequately safeguarded and protected against loss from unauthorized use or its disposition and that transaction are authorized, recorded and reported correctly. The Internal control is supplemented by an extensive internal audit, continuous review by the management and audit committee with well documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

An independent firm of Chartered Accountants is entrusted with the internal audit function for this purpose.

The Internal Auditors continuously evaluate the Internal Control Systems which are evaluated by the Audit Committee for appropriate actions and corrections, wherever necessary.

The management reviews and evaluates detailed revenue budgets for various products and departments and the actual performance is measured on monthly basis and a detailed analysis of the variances is carried out by a periodical review by the Board in order to set right any material deviations. In addition a budgetary control on all items of capital expenditure ensures that actual spending is in line with the capital budget.

ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

It has been Company's endeavor to expand the operations geographically and also in terms of providing new value added services. The Company has expanded its wireline services to 150 cities / towns of Punjab and widened its wireless footprint to cover the whole of Punjab Circle by introducing the GSM mobile services.

The revenue from telecom service has increased by 23% from Rs.3,295.65 million in the 2012-13 to Rs. 4,059.95 million during the current year. The total expenses have also correspondingly Increased from Rs.4,680.26 million in 2012-13 to Rs.6,701.00 million in 2013-14. Consequently, the Loss from Telecom Services during the year increased by Rs.1, 356.82 million in the year 2012-13 to Rs.2, 611.61 million in 2013-14.

Revenue at a glance is as follows:

(Rs. in millions)

Parameter	FY 2013-14	FY 2012-13
Unified Access Services	2,284.41	1,943.96
Internet Services	1,388.07	1,078.50
Interconnect Usage Charges	322.79	215.18
Infrastructure Services	64.68	58.01
Other Income	29.44	27.78
Total	**4,089.39**	**3,323.43**

FINANCIAL PERFORMANCE

Key Financial Indicators

Telecom Business (Rs. in millions)

Parameter	FY 2013-14	FY 2012-13
Revenue from Telephony Service	4,059.95	3,295.65

On Gross Basis (Rs. in millions)

Parameter	FY 2013-14	FY 2012-13
Gross Income	4,089.39	3,323.43
Loss for the year	2,611.61	1,356.82

Major Expenses at a glance are as follows: (Rs. in millions)

Parameter	FY 2013-14	FY 2012-13
Network Operations Expenditure	3,784.12	2,189.17
Employee Benefit Expenditure	688.30	483.32
Sales & Marketing Expenditure	281.01	166.65
Administration & Other Expenditure	406.76	342.22
Finance Cost	273.00	280.62
Total	**5,433.19**	**3,461.99**

Share Capital

The Authorised Share Capital of the company is Rs. 15000 million. Against this, the Paid up Share Capital is Rs.8371.03 million comprising of Rs.6122.6 million by way of Equity Shares and Rs. 2248.45 million by way of Cumulative Redeemable Preference Shares.

In accordance with the terms and conditions of the Corporate Debt Restructuring Package (CDR Package) approved by the Corporate Debt Restructuring Cell (CDR Cell) vide its letter No. CDR (JCP) 563/2009-10 dated August 13, 2009, the Company is in the process of effecting the 'reduction of the issued, subscribed and Paid up equity share capital' by 90% in order to write off the accumulated losses to that extent. Hon'ble Bombay High Court had approved the Reduction of Capital vide its Order dated July 4, 2014 and the same would become effective from the date of registration of the Order by the Registrar of Companies.

Secured Loans/ Non Convertible Debentures

Pursuant to the CDR Scheme, 25% of Secured Loans had been repaid and 25% of Secured Loans had been converted into Preference Share Capital during 2011-12; the remaining 50% of the Secured Loans amounting to Rs.3196.91 million were converted into Non Convertible Debentures allotted to the Banks/Financial Institution as on January 21, 2013 in compliance with the terms and conditions of the CDR Scheme.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCE

As the company reorganizes to gain competitive edge, our human resources play a key role in helping us deal with a fast-changing competitive environment. We strongly believe in the quality and productivity of our employees.

The company has current manpower strength of 679 as against 591 during the previous year - with an average age of employees being 38 years. The company has a professionally qualified work force out of which more than 74% are professionals drawn from various fields including Engineers, MBA's, C.As / C.S.s etc. By adopting new and dynamic Human Resource Practices, it has always been our endeavor to become 'Employer of Choice' by adding value to our organization through: -

1. Effectively managing and utilizing the human resource.
2. Employing dynamic 'Performance appraisal' techniques and 'compensation policies to judge and reward competencies.
3. Developing competencies to enhance individual and organizational performance.
4. Managing the implementation and integration of technology through improved staffing, training and communication with employees.

The organization has taken a lot of initiatives for the employees. Organizational Development Intervention and continuous inputs are being designed for the employees at all levels for individual growth as also to ensure achievement of business success on sustainable basis.

CAUTIONARY STATEMENT

The management discussion and analysis Report describes the Company's objectives, projections, estimates and expectations which are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions as well as entry of new players in the Circle in which the Company operates, apart from the changes in government regulations, policies, tax laws and other incidental factors. Further, the Company retains the flexibility to respond to fast-changing market conditions and business imperatives. The Company may therefore need to change any of the plans and projections that may have been outlined in this report, depending on the actual market conditions.

For and on behalf of the Board of Directors

Babu Mohanlal Panchal — Director

Rahul Sethi — Director

Place : Mohali
Date : August 9, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members,
Quadrant Televentures Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of **Quadrant Televentures 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.

2. 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 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

4. Basis of Qualified Opinion

As mentioned in Note 27 (8) (a) to the financial statements, based on Company's request, the Corporate Debt Restructuring ('CDR') Cell vide their letter dated August 13, 2009 ('CDR letter') has revised the terms of CDR scheme with effect from April 1, 2009. The Company has accounted for the impact of revised CDR scheme as approved by CDR Cell after complying with the most of the terms and conditions stipulated therein, though compliance of some of them is still in process. These financial statements do not include any adjustment which may arise due to inability of the management to fulfill the remaining conditions precedent, the impact of which on the loss for the year, if any, is unascertainable.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis of Qualified Opinion paragraph the effect of which is unascertainable* and read together with the other notes, 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. Emphasis of Matter

We draw attention to Note 26 (1) (c) to the financial statements, the Company has incurred a loss of Rs 2,611,608,163/- during the year, the accumulated losses as at March 31, 2014 amounted to Rs 19,397,027,202 /- resulting in, the erosion of its net worth and has net current liabilities of Rs 9,171,780,281/- as at March 31, 2014. These factors raise a doubt that the Company will not be able to continue as a going concern. The management is confident of generating cash flows from business operations through increasing subscribers' base and with the support of significant shareholders to fund its operating and capital fund requirements. Accordingly, these statements have been prepared on a going concern basis. Our opinion is not qualified in respect of this matter.

7. **Report on Other Legal and Regulatory Requirements**

A. 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.

B. As required by 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 Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;

e. on the basis of written representations received from such 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 Companies Act, 1956.

For **Khandelwal Jain & Co.**
Chartered Accountants
Firm Regd. No. 105049W

(Naveen Jain)
Partner
Membership No. 511596

Place: Mohali
Date: 30th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 7A of the Auditors' Report of even date to the Members of Quadrant Televentures Limited on the accounts for the year ended 31st March, 2014;

I. (a) The Company has maintained proper records showing full particulars including quantitative details and situations of its Fixed Assets.

(b) As per the information and explanations given to us, there is a phased programme of physical verification of fixed assets adopted by the company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business and as informed, no material discrepancies were noticed on such verification.

(c) During the year, the Company has not disposed off any substantial part of the fixed assets.

II. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals during the year. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.

(b) 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.

(c) The Company is maintaining proper records of its inventories and no material discrepancies were noticed on such physical verification.

III. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (a), (b), (c) and (d) of the Order are not applicable.

(b) As per the information furnished, the Company has not taken any loan or advances from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (e), (f) and (g) of the said Order are not applicable.

IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.

V. (a) Based on the audit procedure applied by us and according to the information and explanations provided by the management, during the year, there has been no contract or arrangement that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 and accordingly the clause (b) is not applicable.

VI. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.

VII. The Company has formal internal audit system commensurate with its size and nature of 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 Central Government under Section 209(1)(d) of the Companies Act, 1956 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. (a) As per the information and explanations given by the management, the company has generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Provident Fund, custom duty and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payables in respect of such statutory dues as at 31st March, 2014 for period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the dues of Income tax, which have not been deposited on account of disputes and the forum where the disputes and the forum where the dispute is pending are as under:

Name of the Statute	Nature of Dues	Year	Amounts	Forum where dispute is pending
The Income Tax Act,1961	Income Tax	2000-01	70,04,687	Income Tax Appellate Tribunal

X. *The accumulated loss of the Company as at March 31, 2014, is more than fifty percent of its net worth as at that date. The Company has incurred cash loss during the period. In the immediately preceding financial year also, the company had incurred cash loss.*

XI. According to the records produced before us and the information and explanation given to us, the Company has not defaulted in the repayment of due to any financial institution or bank or Debenture holders.

XII. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

XIII. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Hence, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

XIV. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, Clause 4 (xiv) of the said Order is not applicable.

XV. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.

XVI. Based on our examinations of the records and information and explanations given to us during the year no term loan has been obtained.

XVII. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company as at the end of the year, funds raised on short term basis have not been used for long term investments.

XVIII. The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the Register maintained under section 301 of the Act.

XIX. The Company has not issued any secured debentures during the year.

XX. The Company has not raised any money by public issue during the year ended March 31st, 2014.

XXI. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Khandelwal Jain & Co.**
Chartered Accountants
Firm Regd. No. 105049W

(Naveen Jain)
Partner
Membership No. 511596

Place: Mohali
Date: 30th May, 2014

BALANCE SHEET AS AT MARCH 31, 2014
(Unless and otherwise stated, all amounts are in rupees)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	8,371,056,980	8,371,056,980
(b) Reserves and surplus	2	(19,328,460,694)	(16,716,852,531)
		(10,957,403,714)	**(8,345,795,551)**
(2) Non-current liabilities			
(a) Long-term borrowings	3	5,872,384,786	5,872,384,786
(b) Other Long term liabilities	4	1,164,453,211	1,102,379,859
(c) Long-term provisions	5	47,288,145	40,751,290
		7,084,126,142	**7,015,515,935**
(3) Current liabilities			
(a) Short-term borrowings	6	100,617,465	158,707,360
(b) Trade payables	7	1,292,136,597	763,907,277
(c) Other current liabilities	8	8,742,825,612	7,344,180,599
(d) Short-term provisions	9	23,855,724	20,048,345
		10,159,435,398	**8,286,843,581**
TOTAL		**6,286,157,826**	**6,956,563,965**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	3,704,837,045	4,096,357,316
(ii) Intangible assets	10	1,267,089,370	1,573,287,425
(iii) Capital work-in-progress		216,949,001	147,926,729
(b) Non-current investments	11	100,000	100,000
(c) Long-term loans and advances	12	109,527,293	103,958,351
		5,298,502,709	**5,921,629,821**
(2) Current assets			
(a) Inventories	13	21,731,869	16,942,837
(b) Trade receivables	14	460,628,664	519,250,941
(c) Cash and Bank Balance	15	99,271,338	250,312,441
(d) Short-term loans and advances	16	402,887,220	246,087,992
(e) Other current assets	17	3,136,026	2,339,933
		987,655,117	**1,034,934,144**
TOTAL		**6,286,157,826**	**6,956,563,965**
See accompanying notes to the financial statements	1-27		

As per our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm registration number: 105049W

Naveen Jain
Partner
Membership No. 511596

Place : Mohali
Date : May 30, 2014

For and on behalf of the Board

Yatinder Vir Singh
Director

Babu Mohanlal Panchal
Director

Kapil Bhalla
Company Secretary & Manager

Sunil Jit Singh
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2014

(Unless and otherwise stated, all amounts are in rupees)

	Particulars	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
I.	Revenue from operations	**18**	4,059,951,787	3,295,652,189
II.	Other income	**19**	29,437,516	27,781,514
III.	**Total Revenue (I + II)**		**4,089,389,303**	**3,323,433,703**
IV.	**Expenses:**			
	Network Operation Expenditure	**20**	3,784,123,394	2,189,169,650
	Employee Benefits Expenses	**21**	688,300,162	483,323,411
	Sales & Marketing Expenditure	**22**	281,010,394	166,652,750
	Finance Cost	**23**	272,998,792	280,624,002
	Depreciation and Amortization Expenses	**10**	1,267,804,957	1,218,268,557
	Other Expenses	**24**	406,759,767	342,217,456
	Total expenses		**6,700,997,466**	**4,680,255,826**
V.	Profit before tax (VII- VIII)		**(2,611,608,163)**	**(1,356,822,123)**
VI,	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
VII.	**Profit (Loss) for the period (V- VI)**		**(2,611,608,163)**	**(1,356,822,123)**
VIII.	Earnings per equity share: (Nominal Value of Rs 10 each)			
	(1) Basic		(4.27)	(2.22)
	(2) Diluted		(4.27)	(2.22)
	See accompanying notes to the financial statements	**1-27**		

As per our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm registration number: 105049W

Naveen Jain
Partner
Membership No. 511596

Place : Mohali
Date : May 30, 2014

For and on behalf of the Board

Yatinder Vir Singh
Director

Babu Mohanlal Panchal
Director

Kapil Bhalla
Company Secretary & Manager

Sunil Jit Singh
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Unless and otherwise stated, all amounts are in rupees)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year before Prior Year Expenditure and Tax	(2,580,685,630)	(1,341,863,926)
Adjustments for:		
Depreciation and Amortisation	1,267,804,957	1,218,268,557
Foreign exchange Loss/ (Gain)	(4,173,812)	(307,064)
Loss/ (Gain) on Sold / Discarded Fixed Assets	(9,837,752)	20,722,835
Bad Debts Written Off	42,421,214	41,012,221
Provision for Doubtful Debts	31,872,922	16,682,391
Finance Expenses [Refer Note 3 below]	272,998,793	280,624,002
Interest Income	(10,477,428)	(9,401,256)
Operating profit before working capital changes	**(990,076,736)**	**225,737,760**
Adjustment for changes in working capital:		
(Increase) / Decrease in Trade Receivables	(15,671,858)	(39,878,662)
(Increase) / Decrease in Other Non Current and Current Assets	(127,184,920)	101,456,635
(Increase)/ Decrease in Inventory	(4,789,032)	1,502,974
Increase / (Decrease) in Non Current and Current liabilities	1,779,305,260	664,067,299
Cash generated from operations	**641,582,714**	**952,886,006**
Direct Taxes paid (Net)	(41,602,872)	(52,159,335)
Prior Period (Expense) / Income (Net)	(30,922,535)	(14,958,195)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**569,057,307**	**885,768,476**
CASH FLOW FROM INVESTING ACTIVITIES		
Adjustment for changes in:		
Purchase of fixed assets	(511,339,107)	(622,148,678)
Proceeds from sale of fixed assets	16,740,758	(4,747,436)
Fixed deposits	154,681,596	(131,537,022)
Interest Received	9,681,334	8,691,648
NET CASH USED IN INVESTING ACTIVITIES (B)	**(330,235,419)**	**(749,741,488)**
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Redemable Non Convertible Debentures ('NCDs')	-	3,196,908,800
Repayment of Borrowings	(58,089,895)	(3,208,440,509)
Repayment of Public Deposits	-	(10,000)
Interest paid	(177,091,500)	(120,778,513)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(235,181,395)**	**(132,320,222)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**3,640,493**	**3,706,766**
Cash and Cash Equivalents at the beginning of the year	**68,521,253**	**64,814,487**
Cash and Cash Equivalents at the end of the year	**72,161,746**	**68,521,253**
Cash & Cash Equivalents		
Cash in Hand	17,889,964	10,182,555
Cheques in Hand	5,901,181	5,716,350
In Current Accounts	47,284,592	51,536,339
In Escrow Accounts*	1,086,009	1,086,009
Fixed Deposit Less Than 3 Months	-	-
Cash & Cash Equivalents	**72,161,746**	**68,521,253**

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement notified under Companies (Accounting Standard) Rules 2006, ('as amended')
2. Figures in brackets indicate cash outflow.
3. Finance expenses includes interest accrued but not due on secured loan as amounting to Rs 95,907,293 (March 31, 2013 - Rs 159,845,490) as per CDR Scheme.
4. Previous year figures have been regrouped and recast wherever necessary to conform to current year classification.

This is the Cash Flow referred to in our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm registration number: 105049W

Naveen Jain
Partner
Membership No. 511596

Place : Mohali
Date : May 30, 2014

For and on behalf of the Board

Yatinder Vir Singh
Director

Babu Mohanlal Panchal
Director

Kapil Bhalla
Company Secretary & Manager

Sunil Jit Singh
Chief Financial Officer

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 1 - SHARE CAPITAL [Refer Note 27 (7)]	As at 31.03.2014	As at 31.03.2013
Authorised:		
1,200,000,000 (March 31, 2013 - 1,200,000,000) equity shares of Rs 10 each.	12,000,000,000	12,000,000,000
30,000,000 (March 31, 2013 - 30,000,000) preference shares of Rs 100 each.	3,000,000,000	3,000,000,000
	15,000,000,000	**15,000,000,000**
Issued, Subscribed and Paid up :		
612,260,268 (March 31, 2013 - 612,260,268) equity shares of Rs 10 each fully paid.	6,122,602,680	6,122,602,680
6,500,000 (March 31, 2013 - 6,500,000) 2% cumulative redeemable preference shares ('CRPS') of Rs 100 each fully paid.	650,000,000	650,000,000
15,984,543 (March 31, 2013 - 15,984,543) 2% cumulative redeemable preference shares ('CRPS') of Rs 100 each fully paid.	1,598,454,300	1,598,454,300
	8,371,056,980	**8,371,056,980**

(a) Of the above

(i) 490,750 (March 31, 2013 - 490,750 of Rs. 10 each) equity shares of Rs 10 each, were allotted as fully paid bonus shares in the earlier years by way of capitalisation of reserves.

(ii) 83,070,088 equity shares of Rs 10 each were allotted on October 16, 2004, pursuant to the Corporate Debt Restructuring ('CDR') Scheme.[Refer Note 27 (7) (a)].

Out of these, 63,373,110 equity shares of Rs 10 each were issued by the Company to Industrial Development Bank of India ('IDBI'), at par and the balance of 12,171,778 and 7,525,200 equity shares of Rs 10 each to Oriental Bank of Commerce ('OBC') and ING Vysya Bank Limited ('ING'), respectively, at a premium of Re 0.50 per equity share as per provisions of applicable law.

(iii) 8,67,43,116 equity shares of Rs.10 each were issued on July 08, 2009 MSE, consequent to the conversion of Optionally Fully Convertible Debentures (OFCDs) pursuant to the Corporate Debt Restructuring (CDR) Cell.

(b) As more fully discussed in Note 27 (7) (a), the Company in accordance with the scheme of amalgamation approved by the High Court of the State of Punjab and Haryana and the State of Tamil Nadu on March 6, 2003 and March 20, 2003, respectively under section 391 and 394 of the Companies Act, 1956, the erstwhile HFCL Infotel Limited (name earlier allotted to the transferor company), amalgamated with HFCL Infotel Limited now Quadrant Televentures Limited, (formerly The Investment Trust of India Limited). Subsequent to the approved amalgamation:

(i) 432,000,250 (March 31,2013 432,000,250)equity shares of Rs 10 each issued for consideration other than cash pursuant to the amalgamation of erstwhile HFCL Infotel Limited with the Company.

(ii) 1,730,814 equity shares of Rs 10 each were allotted on October 13, 2003, on conversion of the warrants issued to the shareholders of The Investment Trust of India Limited prior to June 11, 2003.

(c) Of the above

(i) 6,500,000 (March 31, 2013 - 6,500,000) 7.5 per cent CRPS were allotted on October 16, 2004, pursuant to the CDR Scheme, where under the specified part of the amount due to CRPS Holder by the Company was converted into 7.5 per cent CRPS redeemable after the repayment of Rupee Term Loan (in Financial Year 2016-17). As per the CDR Scheme, prior approval of the lenders would be required to declare dividend on 7.5 per cent CRPS and all the voting rights attached to the CRPS to be assigned in favour of the term lenders. On June 24, 2005 as per revised CDR Scheme, the dividend percentage was reduced to 2 per cent from 7.5 per cent with effect from date of issuance of CRPS. The CDR dated August 13,2009 does not stipulate any reference to the aforesaid CRPS Accordingly the CRPS shall be redeemable in the Financial Year 2016-17. (With reference to CDR dated June 24,2005)

(ii) 15,984,543 (March 31,2013-15,984,543) 2% Cumulative Redeemable Preference Shares of Rs. 100 fully paid up, aggregating up to Rs. 1,598,454,300 were allotted on November 9, 2010 to the Banks and Financial Institution, namely, IDBI Bank Limited, Life Insurance Corporation of India, Oriental Bank of Commerce, ING Vysya Bank and State Bank of Patiala in terms of the Corporate Debt Restructuring Package (CDR Package) approved by the Corporate Debt Restructuring Cell (CDR Cell) vide their letter dated August 13, 2009, in conversion of 25% of their outstanding loans; the CRPSs shall be redeemed (monthly) over a period of four years commencing from April 1, 2021 at a premium of 34%.

(iii) Due to accumulated losses provision for dividend on CRPS of Rs 650,000,000 and Rs 1,598,454,300 and premium on redemption of CRPS of Rs 1,598,454,300 is not required and hence not provided for in the financials.

NOTES FORMING PARTS OF THE ACCOUNTS

(d) The details of Shareholders holding more than 5 percent shares as at 31.03.2014 are as under

Name of Share Holder	No. of Shares as at 31.03.2014	% held as at 31.03.2014	No. of Shares as at 31.03.2013	% held as at 31.03.2013
Equity Shares				
Quadrant Enterprises Pvt Ltd.	326,705,000	53.36	326,705,000	53.36
IDBI Bank Ltd.	118,271,641	19.32	118,271,641	19.32
Oriental Bank of Commerce	39,021,337	6.37	39,021,337	6.37
Preference Shares				
IDBI Bank Ltd.	10,569,187	47.01	10,569,187	47.01
Shree Dhoot Trading & Agencies Ltd.	6,500,000	28.91	6,500,000	28.91
Oriental Bank of Commerce	1,981,254	8.81	1,981,254	8.81
Life Insurance Corporation of India	1,981,165	8.81	1,981,165	8.81

(e) The reconciliation of the number of Shares outstanding as at 31.03.2014 is set out below:

Particulars	Figures As At 31.03.2014	Figures As At 31.03.2013
Number of Equity shares at the beginning	612,260,268	612,260,268
Add: Shares issued during the year	-	-
Number of shares at the end	**612,260,268**	**612,260,268**
Number of Preference shares at the beginning	22,484,543	22,484,543
Add: Shares issued during the year		-
Number of shares at the end	**22,484,543**	**22,484,543**

NOTE 2 - RESERVE AND SURPLUS	As at 31.03.2014	As at 31.03.2013
Capital Reserve:		
Balance at the beginning and end of the year	34,032,776	34,032,776
Securities Premium [Refer Note (a) below]		
Balance at the beginning and end of the year	22,633,732	22,633,732
Statutory Reserve [Refer Note (b) below]		
Balance at the beginning and end of the year	11,900,000	11,900,000
Profit & Loss A/c:		
Opening Balance	(16,785,419,039)	(15,428,596,916)
Add: Transfer from Statement of Profit & Loss	(2,611,608,163)	(1,356,822,123)
Closing Balance	(19,397,027,202)	(16,785,419,039)
Total	**(19,328,460,694)**	**(16,716,852,531)**

Of the above

(a) Securities premium includes an amount of Rs 9,848,489 received on allotment of 19,696,978 equity shares of Rs 10 each on October 16, 2004 at a premium of Rs 0.50 per equity share [Refer of Note 1 (a) (ii)].

(b) As more fully discussed in Note 26 (1) (a), the Company (erstwhile The Investment Trust of India Limited) was a Non-Banking Financial Corporation ('NBFC') under the Certificate of Registration ('CoR') No 07.00222 dated April 18, 1998. Further, as more fully discussed in Note 27 (19), the Company had surrendered its CoR with the Reserve Bank of India ('RBI'). In 2004 As a condition for the cancellation of the CoR, the RBI had advised the Company to follow certain strictures till the balance in the escrow account is settled.

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 3 - LONG TERM BORROWING	As at 31.03.2014	As at 31.03.2013
Secured [Refer Note 27(8)]		
Redemable Secured Non Convertible Debentures (NCDs) Pursuant to Revised CDR	3,196,908,800	3,196,908,800
Term Loan Convertible Into Non-Convertible Debenture ('NCDs') as per CDR		
Unsecured [Refer Note 27 (9)]		
Zero per cent Non Convertible Debentures ('NCDs') (erstwhile OFCDs)	166,776,100	166,776,100
Loans from Body Corporate	2,508,699,886	2,508,699,886
Total	**5,872,384,786**	**5,872,384,786**

a. Yield of Interest and Premium on redemption of Secured Non-Convertible Debentures is 8% p.a.

b. Redemable Secured Non-Convertible Debentures as per CDR is secured by first pari passu charge on movable and immovable fixed assets and first pari passu charge on Current Assets, assignment of license / contracts and fully detailed in note 27 (8)(a).

c. Redemption Schedule of the Secured Non Convertible Debentures.

Financial Year	Amount of Non Convertible Debenture
2017	319,690,904
2018	319,690,904
2019	639,381,809
2020	639,381,809
2021	639,381,809
2022	639,381,809

d. On October 16, 2004, the Company issued 1,667,761 zero percent Non Convertible Debentures ('NCDs') of Rs 100 each in lieu of interest accrued on term loans from a financial institution and a bank for the period April 1, 2003 to December 31, 2003. The 'NCD's earlier redeemable at par on March 31, 2014, are now redeemable at par on March 31, 2016 after repayment of the term loans as per revised CDR Scheme effective from April 1, 2005.

NOTE 4 - OTHER LONG TERM LIABILITIES	As at 31.03.2014	As at 31.03.2013
Interest accrued but not due on borrowings	863,692,220	767,784,927
Security Deposits		
- From Subscribers	14,302,792	15,424,675
- From Others	44,327,591	37,822,589
Advance From Customers and Unaccrued Income	242,130,608	281,347,668
Total	**1,164,453,211**	**1,102,379,859**

NOTE 5 - LONG TERM PROVISIONS [Refer Note 27(21)]	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits.		
Leave Encashment / Availment	25,579,299	21,599,729
Gratuity	21,708,846	19,151,561
Total	**47,288,145**	**40,751,290**

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 6 - SHORT TERM BORROWINGS	As at 31.03.2014	As at 31.03.2013
Secured		
Working Capital Loan from Scheduled Banks	100,617,465	158,707,360
Total	**100,617,465**	**158,707,360**

Working capital loan is secured by first pari passu charge on movable and immovable fixed assets and first pari passu charge on Current Assets, assignment of license / contracts and fully detailed in note 27 (8) (a).

NOTE 7 - TRADE PAYABLE	As at 31.03.2014	As at 31.03.2013
Due to Micro / Small & Medium Enterprises [Refer Note 27 (13)]	337,208	816,620
Due to others	1,291,799,389	763,090,657
Total	**1,292,136,597**	**763,907,277**

NOTE 8 - OTHER CURRENT LIABILITIES	As at 31.03.2014	As at 31.03.2013
Advances from Customers and Unaccrued Income	303,440,752	251,442,448
Other Advances	6,846,646,047	4,956,527,643
For Capital Goods	1,513,347,513	2,074,301,570
Book Bank Overdraft	2,965,965	478,047
Other liabilities including statutory dues*	76,425,335	61,430,891
Total	**8,742,825,612**	**7,344,180,599**

* Other Current liabilities include cheques outstanding beyond six months of Rs 523,618 (March 31, 2013 - 523,618) due on deposits towards repayment of public deposits under the NBFC CoR and Rs. 543,480 interest accrued & due on deposits to be transferred to investors education & protection fund. [Refer Note 27(19)].

NOTE 9 - SHORT TERM PROVISIONS [Refer Note 27(21)]	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits.		
Leave Encashment / Availment	22,573,761	18,803,731
Gratuity	1,281,963	1,244,614
Total	**23,855,724**	**20,048,345**

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note 10: FIXED ASSETS [Refer Note 27(10)]

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
TANGIBLE ASSETS	**As at 01.04.2013**	**Additions during the period**	**Sale/ Adjustment during the period**	**As at 31.03.2014**	**As at 01.04.2013**	**Depreciation for the period**	**On Sale/ Adjustment**	**As at 31.03.2014**	**As at 31.03.2014**	**As at 31.03.2013**
Land - Freehold	16,142,623	-	-	16,142,623	-	-	-	-	16,142,623	16,142,623
Land - Leasehold	8,896,419	-	-	8,896,419	1,293,309	92,160	-	1,385,469	7,510,950	7,603,110
Building	189,189,617	150,717	-	189,340,334	43,243,945	3,676,126	-	46,920,071	142,420,263	145,945,672
Leasehold Improvements	81,527,910	663,551	-	82,191,461	71,096,515	2,440,204	-	73,536,719	8,654,742	10,431,395
Network Equipment	5,764,517,318	391,807,685	28,255,214	6,128,069,789	3,268,458,235	477,547,786	22,002,677	3,724,003,344	2,404,066,445	2,496,059,083
Optical Fibre Cable and Copper Cable	4,597,076,119	27,892,878	152	4,624,968,845	3,386,446,566	352,822,968	44	3,739,269,490	885,699,355	1,210,629,553
Telephone Instruments at Customers Premises	340,337,882	71,570,972	17,131,581	394,777,273	245,223,258	42,781,792	16,672,725	271,332,325	123,444,948	95,114,624
Computers	300,209,589	22,250,526	191,233	322,268,882	197,771,436	24,862,395	19,800	222,614,031	99,654,851	102,438,153
Office Equipment	46,685,145	2,374,605	426,903	48,632,847	38,328,232	2,375,646	406,835	40,297,043	8,335,804	8,356,913
Furniture & Fixture	43,091,768	5,268,126	431,915	47,927,979	39,455,584	1,481,877	431,916	40,505,545	7,422,434	3,636,184
Vehicles	14,816,294	1,620,000	-	16,436,294	14,816,294	135,370	-	14,951,664	1,484,630	-
Total	**11,402,490,684**	**523,599,060**	**46,436,998**	**11,879,652,746**	**7,306,133,374**	**908,216,324**	**39,533,997**	**8,174,815,701**	**3,704,837,045**	**4,096,357,316**
Previous Year ended 31.03.2013	**11,049,872,004**	**435,970,384**	**83,351,704**	**11,402,490,684**	**6,505,030,159**	**868,479,519**	**67,376,304**	**7,306,133,374**		

	GROSS BLOCK				AMORTISATION				NET BLOCK	
INTANGIBLE ASSETS	**As at 01.04.2013**	**Additions during the period**	**Sale/ Adjustment during the period**	**As at 31.03.2014**	**As at 01.04.2013**	**Amortisation for the period**	**On Sale/ Adjustment**	**As at 31.03.2014**	**As at 31.03.2014**	**As at 31.03.2013**
Computer Software	245,191,367	53,390,579	-	298,581,946	194,032,769	21,236,960	-	215,269,729	83,312,217	51,158,599
Licence Entry Fees	2,352,658,603	-	-	2,352,658,603	1,739,477,914	136,055,289	-	1,875,533,203	477,125,400	613,180,689
Licence Entry Fees GSM [Refer Note 26(1) (b)]	1,517,500,000	-	-	1,517,500,000	608,551,863	202,296,384	-	810,848,247	706,651,753	908,948,137
Total	**4,115,349,970**	**53,390,579**	**-**	**4,168,740,549**	**2,542,062,546**	**359,588,633**	**-**	**2,901,651,178**	**1,267,089,370**	**1,573,287,425**
Previous Year ended 31.03.2013	**4,067,305,607**	**48,044,363**	**-**	**4,115,349,970**	**2,192,273,507**	**349,789,038**	**-**	**2,542,062,545**		

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 11 - NON CURRENT INVESTMENTS	As at 31.03.2014	As at 31.03.2013
Investment in Wholly Owned Subsidiary Company: (Unquoted)		
10,000 [March 31, 2013 - 10,000] equity shares of Rs 10 each fully paid in Infotel Tower Infrastructure Private Limited	100,000	100,000
Total	**100,000**	**100,000**

NOTE 12 - LONG TERM LOANS AND ADVANCES	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Capital Advances	2,304,952	9,170,072
Security Deposits	64,233,398	59,325,949
Advances Recoverable in cash or in kind or for value te be received	42,988,943	35,462,330
Doubtful		
Security Deposits	1,186,199	1,186,199
Advances Recoverable in cash or in kind or for value te be received	802,642	802,642
Less: Provision For Doubtful Advances	(1,988,841)	(1,988,841)
Total	**109,527,293**	**103,958,351**

NOTE 13 - INVENTORIES [Refer Note 27 (11)]	As at 31.03.2014	As at 31.03.2013
Inventory held for installation and maintenance of network	21,731,869	16,942,837
Total	**21,731,869**	**16,942,837**

NOTE 14 - TRADE RECEIVABLES	As at 31.03.2014	As at 31.03.2013
Trade Receivables Outstanding for a period exceeding six months:		
Secured, Considered Good	4,030,981	4,098,245
Unsecured, Considered Good	28,037,544	20,220,767
Doubtful	181,792,272	158,598,842
Others		
Secured, Considered Good	773,273	1,227,209
Unsecured, Considered Good	427,786,866	493,704,720
Doubtful	12,182,535	9,226,281
	654,603,471	687,076,064
Less: Provision for Doubtful Trade Receivables	(193,974,807)	(167,825,123)
Total	**460,628,664**	**519,250,941**

a) Debtors are secured to the extent of deposit received from the subscribers.

b) Includes Rs 134,557,517 (March 31, 2013 - Rs 113,959,342) of unbilled revenues, the invoices for which have been raised subsequent to March 31, 2014 [Refer Note 26 (2.11)].

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 15 - CASH AND BANK BALANCE	As at 31.03.2014	As at 31.03.2013
Cash & Cash Equivalents		
Cash in Hand	17,889,964	10,182,555
Cheques in Hand	5,901,181	5,716,350
In Current Accounts	47,284,592	51,536,339
In Escrow Accounts*	1,086,009	1,086,009
Fixed Deposit Less Than 3 Months	-	-
Other Bank Balance**		
Fixed Deposit More Than 3 Months but Less than 12 Months	27,109,592	181,791,188
Fixed Deposit More Than 12 Months		
Total	**99,271,338**	**250,312,441**

*The balance with scheduled banks in Escrow Account is towards public deposits payable by the Company [Refer Note 27 (19)].

**Balances with banks to the extent held as margin money against BG & LC's are of Rs. 27,109,592(March 31, 2013 Rs. 48,309,592).

NOTE 16 - SHORT TERM LOANS & ADVANCES	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Loans and advances to Related Parties (Infotel Tower Infrastructure Private Limited)	28,893,325	17,355,487
TDS Recoverable	163,828,705	121,780,336
Balance with Customs, Excise and Service Tax	153,789,081	57,519,224
Advances Recoverable in cash or in kind or for value te be received	56,376,109	49,432,945
Total	**402,887,220**	**246,087,992**

NOTE 17 - OTHER CURRENT ASSETS	As at 31.03.2014	As at 31.03.2013
Interest Accrued on Fixed Deposits	3,136,026	2,339,933
Total	**3,136,026**	**2,339,933**

NOTE 18 - REVENUE FROM OPERATIONS	For the year ended 31.03.2014	For the year ended 31.03.2013
Sale of services;		
From Unified Access Services	2,284,413,998	1,943,959,142
From interconnection Usage Charges	322,792,583	215,176,749
From Infrastructure Services	64,679,611	58,014,672
From Internet Services	1,388,065,595	1,078,501,626
Total	**4,059,951,787**	**3,295,652,189**

NOTE 19 - OTHER INCOME	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest Income	10,477,428	9,401,256
Sale of Scrap	4,111,405	5,215,271
Rental Income	12,477,241	12,430,714
Miscellaneous Income	2,371,442	734,273
Total	**29,437,516**	**27,781,514**

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 20 - NETWORK OPERATION EXPENDITURE	For the year ended 31.03.2014	For the year ended 31.03.2013
Interconnect Usage Charges	1,980,090,762	935,700,379
Other Value Added Service charges	50,398,080	30,973,541
Port Charges	21,838,917	30,791,442
Testing and Technical Survey Expenses	-	70,000
Licence Fees on Revenue Share Basis	209,692,594	147,690,355
Royalty and Licence Fees to Wireless Planning Commission	26,661,877	32,033,655
Stores and Spares Consumed	85,279,512	67,656,447
Rent Node site	46,453,502	42,397,627
Infrastructure Sharing Rent	540,643,701	452,541,058
Electricity and Water -Network	373,581,505	244,773,906
Security Charges	1,081,980	637,693
Repair & Maintenance - Network	350,340,945	102,986,267
Bandwidth Charges	98,060,019	100,917,280
Total	**3,784,123,394**	**2,189,169,650**

NOTE 21 - EMPLOYEE BENEFIT EXPENSES	For the year ended 31.03.2014	For the year ended 31.03.2013
Salaries, Wages and Bonus	644,048,647	449,242,720
Employer's Contribution to Provident and other Funds	15,021,657	13,297,245
Leave Encashment / Availment	6,016,578	5,163,682
Gratuity	5,094,634	4,958,860
Staff Welfare Expenses	14,939,337	8,493,490
Recruitment & Training Expenses	3,179,309	2,167,414
Total	**688,300,162**	**483,323,411**

NOTE 22 - SALES & MARKETING EXPENDITURE	For the year ended 31.03.2014	For the year ended 31.03.2013
Sales and Business Promotion	46,277,858	6,930,367
Advertisement Expenses	93,137,599	29,194,863
Customers Acquisition Costs	141,594,937	130,527,520
Total	**281,010,394**	**166,652,750**

NOTE 23 - FINANCE COSTS	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest on Non Convertible Debentures	255,752,754	255,752,784
Interest to Others	11,244,272	18,311,405
Bank Guarantee Commission	3,578,196	3,280,930
Trustees Fee	750,000	849,994
Monitoring Fees	1,000,000	1,000,000
Other Finance Charges	673,570	1,428,889
Total	**272,998,792**	**280,624,002**

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 24 - OTHER EXPENSES		For the year ended 31.03.2014	For the year ended 31.03.2013
Foreign exchange fluctuation		7,227,687	7,611,018
Payments to the auditor			
Audit Fees		1,750,000	1,500,000
Tax Audit Fees		480,000	480,000
Other services		375,000	425,000
Reimbursement of expenses		121,859	88,185
Prior period Adjustments		30,922,535	14,958,195
Legal and Professional Expenses		15,149,767	10,612,671
Travelling and Conveyance		96,078,071	68,485,723
Communication Expenses		2,434,476	3,407,796
Rent		26,637,861	24,937,144
Security Charges		8,638,190	6,275,748
Repairs and Maintenance - Building		1,111,131	334,826
Repairs and Maintenance - Others		14,353,965	10,932,907
Electricity and Water		23,453,553	18,289,765
Insurance		2,103,382	6,202,932
Rates and Taxes		9,026,625	8,665,243
Freight & Cartage		6,543,948	6,191,430
Printing and Stationary		3,148,277	2,565,637
Billing and Collection Expenses		86,621,649	65,791,145
Directors' Fees		221,720	213,440
Loss/ (Gain) on sale and Discarded of Fixed Assets		(9,837,752)	20,722,835
Bad Debts Written off	48,144,451		
Less; Provision for Doubtful Debts	(5,723,237)	42,421,214	41,012,221
Provision for Doubtful Debts		31,872,922	16,682,391
Miscellaneous Expenses		5,903,687	5,831,204
Total		**406,759,767**	**342,217,456**

NOTE 25 - CONTINGENT LIABILITIES	For the year ended 31.03.2014	For the year ended 31.03.2013
Estimated value of contracts remaining to be executed on capital account and not provided for net of capital advances Rs. 2,304,952 (March 31,2013 Rs 9,170,072)	113,014,325	121,006,095
Bank Guarantees given against Bid Bonds/Performance/Advance		
Financial Bank Guarantees	86,062,345	81,962,345
Performance Bank Guarantees	52,963,000	53,294,948
Open Letter of Credits (Margin Deposit Rs. Nil [March 31, 2013 - Rs. 23,998,323)]	-	27,554,745
Income tax matters under appeal Principal Amount [Refer Note 27 (1) (a)].	7,004,687	7,004,687
Income tax matters under appeal Interest Amount [Refer Note 27 (1) (a)].	7,354,921	6,514,359
Claims against the Company not acknowledged as debts	9,780,973	5,022,700
Dividend on 2% cumulative redeemable preference shares ('CRPS') of Rs 1,598,454,300	159,845,430	127,876,344
Others [Refer Note 27 (1) (b, c, d, e, f,g,h and i).	1,522,233,377	1,038,397,602
Total	**1,958,259,058**	**1,468,633,825**

NOTE 26: BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

1. Background

(a) Nature of business and ownership

Quadrant Televentures Limited (Formerly known as HFCL Infotel Limited) ('the Company' or 'QTL'), Unified Access Services Licensee for Punjab Telecom Circle (including Chandigarh and Panchkula), is providing complete telecommunication services, which includes voice telephony, both wireline and fixed wireless, CDMA and GSM based mobiles, internet services, broadband data services and a wide range of value added service viz., centrex, leased lines, VPNs, voice mail, etc. The services were commercially launched in October 2000. As on March 31, 2014, the Company has an active subscriber base of over 1,990,122.

The Company was incorporated on August 2, 1946 with the name of The Investment Trust of India Limited (ITI) which was subsequently changed to HFCL Infotel Limited on May 12, 2003. This was done pursuant to a Scheme of amalgamation (the Scheme), approved by the Hon' ble High Court of the Punjab and Haryana at Chandigarh and Hon' ble High Court of the State of Tamil Nadu at Chennai on March 6, 2003 and March 20, 2003, respectively, whereby the erstwhile HFCL Infotel Limited (name earlier allotted to the transferor Company) ('erstwhile HFCL Infotel') was merged with the Company with effect from September 1, 2002. As per the Scheme envisaged, the Company's then existing business of hire purchase, leasing and securities trading was transferred by way of slump sales to its wholly owned subsidiary, Rajam Finance & Investments Company (India) Limited ('Rajam Finance') with effect from September 1, 2002. Rajam Finance was renamed as The Investment Trust of India Limited with effect from June 17, 2003 and it ceased to be the subsidiary of the Company with effect from September 30, 2003, due to allotment of fresh equity by Rajam Finance to other investors.

The Company, during the year ended March 31, 2004, surrendered its license granted by Reserve Bank of India ('RBI') to carry out NBFC business. RBI confirmed the cancellation of the NBFC license as per their letter dated May 24, 2004.

On September 24, 2010 the name of Company was changed From HFCL Infotel Limited to Quadrant Televentures Limited.

(b) License Fees

The Company obtained licence for Basic Telephony Service for the Punjab Telecom Circle (including Chandigarh and Panchkula) by way of amalgamation of the erstwhile HFCL Infotel with the Company. Erstwhile HFCL Infotel had obtained this licence under fixed license fee regime under National Telecom Policy ('NTP') 1994, valid for a period of 20 years from the effective date, and subsequently migrated from the fixed license fee regime to revenue sharing regime upon implementation of NTP 1999. Further to the Telecom Regulatory Authority of India's ('TRAI') recommendations of October 27, 2003 and the Department of Telecommunications ('DoT') guidelines on Unified Access (Basic & Cellular) Services Licence ('UASL') dated November 11, 2003, the Company migrated its licence to the UASL regime with effect from November 14, 2003. A fresh License Agreement was signed on May 31, 2004. Pursuant to this migration, the Company became additionally entitled to provide full mobility services. HFCL Infotel also entered into a Licence Agreement dated June 28, 2000, and amendments thereto, with DoT to establish maintain and operate internet service in Punjab circle (including Chandigarh and Panchkula).

During the year ended March 31, 2008, the Company has deposited the entry fee to the Department of Telecommunication ('DOT') for the use of GSM Technology in addition to CDMA technology being used under the existing (UASL) for the Punjab Service Area. The UASL has since been amended to incorporate the license for use of GSM technology on January 15, 2008 vide DOT's letter number F.No.10-15/2004/BS.II/HITL/ Punjab/17 dated January 15, 2008. The Company has launched its GSM services on March 29, 2010 in Punjab Circle.

With effect from August 1, 1999, the Company is required to pay revenue share license fees as a fraction of Adjusted Gross Revenue ('AGR') on UASL, The revenue share fraction other than income from Internet Services was set at 10 per cent of AGR with effect from August 1, 1999 and was reduced to 8 per cent of AGR with effect from April 1, 2004. In addition, spectrum charges calculated at 3 per cent of the AGR earned through the wireless technology is payable under the license agreement.

With effect from July 01, 2012 Income from internet services is included as the service revenue for the purpose of the calculation of AGR under Internet Services Licence as it is governed by a separate ISP licence between the Company and the Department of Telecommunications ('DoT').The revenue share fraction is set at 4% for July 01, 2012 to March 31, 2013 and 8% from April 1, 2013 onwards of income from internet revenue ('AGR' under Internet Service Licence).

(c) Project Financing

The Company's project was initially appraised by Industrial Development Bank of India ('IDBI') during the year ended March 31, 2000.

Pursuant to the migration to UASL regime, the consortium of lenders, led by IDBI, through the Corporate Debt Restructuring ('CDR') mechanism approved an overall restructuring of the liabilities of the Company and thereby revised the peak funding requirements.

Further, the CDR Empowered Group has approved the proposal of the Company for expansion of services, change in the scope of the project, cost of project and means of finance and restructuring of debt as per the reworked restructuring scheme dated June 24, 2005.

During the year ended March 31, 2014, the Company has incurred losses of Rs 2,611,608,163 resulting into accumulated loss of Rs 19,397,027,202 as at March 31, 2014 which has completely eroded its net worth and has a net current liability of Rs 9,171,780,281 The ability of the Company to continue as a going concern is substantially dependent on its ability to successfully arrange the remaining funding and achieve financial closure to fund its operating and capital funding requirements and to substantially increase its subscriber base. The management in view of its business plans and support from significant shareholders is confident of generating cash flows to fund the operating and capital requirements of the Company. Accordingly, these statements have been prepared on a going concern basis.

2. Summary of significant accounting policies

2.1 Basis of preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 ('as amended'), and the relevant provisions of the Companies Act, 1956. The preparation of financial statements is in conformity with the Generally Accepted Accounting Principals. The financial statements have been prepared under the historical cost convention on an accrual basis of accounting. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The significant accounting policies are as follows:

2.2 Fixed Assets

Fixed assets are stated at cost (net of cenvat credit if availed) less impairment loss, if any, and accumulated depreciation. The Company capitalises direct costs including taxes (excluding cenvat), duty, freight and incidental expenses directly attributable to the acquisition and installation of fixed assets. Capital work-in-progress is stated at cost.

Telephone instruments having useful life lying with deactivated customers for more than 90 days since disconnection are written off.

2.3 Inventory

Inventory is valued at cost or net realisable value which ever is low. Cost for the purchase is calculated on FIFO basis

2.4 Depreciation

Depreciation is provided pro-rata to the period of use (except for Telephone Instruments, being ready for use are depreciated from the beginning of the month, following the month of purchase), on the straight line method based on the estimated useful life of the assets, as follows:

Asset	Useful life (in years)
Leasehold Land	Over the lease term
Buildings	Office Building 30 years Others 61 years
Leasehold Improvements	10 years or over the lease term, whichever is lower
Network Equipment (other than batteries) Batteries	9.67 years 5 years
Testing Equipments (included in Network Equipments)	5 years
Optical Fibre Cable and Copper Cable	15 years
Telephone Instruments	5 years
Computers	6.17 years
Software	5 years
Office Equipments	10 years, except in case issued to employees, where asset is depreciated in 5 years
Furniture and Fixture	10 years, except in case issued to employees, where asset is depreciated in 5 years
Vehicles	4 years
Fixed Assets costing less than Rs 5,000 (other than Telephone Instruments)	Fully depreciated when they are ready for use.

(i) Depreciation rates derived from the above are not less than the rates prescribed under Schedule XIV of the Companies Act, 1956.

(ii) Depreciation on the amount capitalized on up-gradation of the existing assets is provided over the balance life of the original asset.

(iii) Depreciation on the amount capitalised till March 31, 2007 on account of foreign exchange fluctuations is provided over the balance life of the original asset.

2.5 Borrowing Costs

Borrowing costs that are attributable to the acquisition and construction of a qualifying asset are capitalised as a part of the cost of the asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

2.6 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.7 Intangibles

All expenditure on intangible items are expensed as incurred unless it qualifies as an intangible asset as defined in Accounting Standard 26. The carrying value of intangible assets is assessed for recoverability by reference to the estimated future discounted net cash flows that are expected to be generated by the asset. Where this assessment indicates a deficit, the assets are written down to the market value or fair value as computed above.

2.8 Licence Fees

(i) Licence Entry Fee

The Licence Entry Fee has been recognised as an intangible asset and is amortised equally over the remainder of the licence period from the date of commencement of commercial operations. Licence entry fees includes interest on funding of licence entry fees, foreign exchange fluctuations on the loan taken upto the date of commencement of commercial operations.

The carrying value of license entry fees are assessed for recoverability by reference to the estimated future discounted net cash flows that are expected to be generated by the asset. Where this assessment indicates a deficit, the assets are written down to the market value or fair value as computed above.

(ii) Revenue Sharing Fee

Revenue Sharing Fee, currently computed at the prescribed rate of Adjusted Gross Revenue ('AGR') is expensed in the Statement of Profit and Loss in the year in which the related income from providing unified access services and Internet Services are recognised.

An additional revenue share towards spectrum charges is computed at the prescribed rate of the service revenue earned from the customers who are provided services through the CDMA and GSM technology. This is expensed in the Statement of Profit and Loss in the year in which the related income is recognised.

2.9 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and fair value and determined on an individual investment basis.

2.10 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.11 Revenue Recognition

Revenue from unified access services are recognised on services rendered and is net of rebates, discounts and service tax. Unbilled revenues resulting from unified access services provided from the billing cycle date to the end of each month are estimated and recorded. Revenues from unified access services rendered through prepaid cards are recognised based on actual usage by the customers. Billings made but not expected to be collected, if any, are estimated by the management and not recognised as revenues in accordance with Accounting Standard on Revenue Recognition ('AS 9').

Revenue on account of internet services and revenue from infrastructure services are recognised as services are rendered, in accordance with the terms of the related contracts.

2.12 Interconnection Usage Revenue and Charges

The TRAI issued Interconnection Usage Charges Regulation 2003 ('IUC regime') effective May 1, 2003 and subsequently amended the same twice with effect from February 1, 2004 and February 1, 2005. Under the IUC regime, with the objective of sharing of call revenues across different operators involved in origination, transit and termination of every call, the Company pays interconnection charges (prescribed as Rs per minute of call time) for all outgoing calls originating in its network to other operators, depending on the termination point of the call i.e. mobile, fixed line, and distance i.e. local, national long distance and international long distance. The Company receives certain interconnection charges from other operators for all calls terminating in its network

Accordingly, interconnect revenue are recognised on those calls originating in another telecom operator network and terminating in the Company's network. Interconnect cost is recognised as charges incurred on termination of calls originating from the Company's network and terminating on the network of other telecom operators. The interconnect revenue and costs are recognised in the financial statement on a gross basis and included in service revenue and network operation expenditure, respectively.

2.13 Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year.

2.14 Employee Benefits

Effective April 1, 2007, the Company has adopted the Revised Accounting Standard - 15 'Employee Benefits'. The relevant policies are:

Short Term Employee Benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

Long Term Employee Benefits

Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognised and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

Leave Encashment

The Company has provided for the liability at period end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuation in accordance with Accounting Standard 15 (revised), "Employee Benefits " The Company makes annual contributions to the LIC for the Gratuity Plan in respect of employees. The present value of obligation under gratuity is determined based on actuarial valuation at period end using Project 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.

a) Short term compensated absences are provided for on based on estimates.

b) Actuarial gains and losses are recognised as and when incurred

2.15 Taxation

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

2.16 Operating Leases

Where the Company is the lessee

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

2.17 Earning Per Share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earning per share, the number of shares comprises the weighted average shares considered for deriving basic earning per share, and also the weighted average number of shares, if any which would have been used in the conversion of all dilutive potential equity shares. The number of shares and potentially dilutive equity shares are adjusted for the bonus shares and the sub-division of shares, if any.

2.18 Segment Reporting

Identification of segments:

The primary reporting of the Company has been performed on the basis of business segments. The analysis of geographical segments is based on the areas in which the Company's products are sold or services are rendered.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

The Corporate and other segment include general corporate income and expense items, which are not allocated to any business segment.

2.19 Cash & Cash Equivalents

Cash & cash equivalents in the Balance Sheet comprise cash in hand and at bank.

NOTE 27: NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(1). Commitments and contingent liabilities not provided for in respect of:

(a) The Company has certain income tax related matters pending with Income Tax Appellate Tribunal for the Assessment Year 2001-02 aggregating to Rs 7,004,687 as Principal amount and Interest amount of Rs. 7,354,921 (March 31, 2013 – Rs 7,004,687 as Principal amount and Interest amount of Rs 6,514,359).

(b) The Wireless Finance Division of Department of Telecommunications has claimed an outstanding of Rs 29,585,211 towards the Spectrum Charges dues from year 2001 to year 2005 vide their letter 1020/48/2005-WFD dated October 7, 2005. The Company has submitted its reply to the department on October 25, 2005 confirming the total due of Rs 29,472 only and paid the said amount. The Wireless Finance Division of Department of Telecommunications has subsequently claimed Rs 39,310,176 vide letter number 1020/48/2005-WFD dated September 13, 2006 towards the Spectrum Charges dues from year 2001 to year 2006. The Company has submitted a detailed reply on October 31, 2006. During the year ended March 31, 2008, out of the above demand, the Company has deposited Rs 1,801,241 under protest towards the interest due till August 31, 2006. Wireless Finance Division of Department of Telecommunications has updated their claim to Rs 70,604,092 towards Spectrum Charges dues from January 1, 2000 to September 30, 2008 vide letter number 1020/29/WR/07-08 dated October 24, 2008. The Company has once again made a written representation vide its letter dated December 8, 2008 and August 12, 2009. Subsequently DOT has revised their demand to Rs 70,528,239 vide Letter No 1020/48/WFD/2005-06/ Dated September 6, 2010 to which the Company has made representations vide letter dated September 23, 2010, February 3, 2011 and March 17, 2011. Subsequently DOT has revised their demand to Rs 149,960,749 vide Letter No 1020/48/WFD/2005-06/ Dated January 3, 2013 to which the Company has made representations vide letter dated January 18, 2013. The reply of which has not been received. Based on the legal opinion, the Company is confident that no liability would accrue regarding the same in future.

(c) During the year ended March 31, 2007, Bharat Sanchar Nigam Limited ('BSNL') has raised supplementary bill dated August 10, 2006 for Rs 167,614,241 towards Inter-connect Usage Charges ('IUC') and Access Deficit Charges ('ADC') for the period November 14, 2004 to August 31, 2005 on the Company. BSNL further raised invoices to the tune of Rs 99,346,533 on similar grounds for the period September 1, 2005 to February 28, 2006. These charges are on account of unilateral declaration of the Company's Fixed Wireless and Wire line Phone services as Limited Mobility Services by BSNL. The Company has submitted its reply to BSNL on August 23, 2006 asking for the calculation/basis for the additional amount raised towards IUC and ADC by BSNL for Rs 167,614,241. Subsequently, BSNL issued a disconnection notice on August 26, 2006 which required the payment of Rs 208,236,569 (including Rs 167,614,241). The Company has submitted details to BSNL for payments already made for Rs 40,622,328. The Company has approached Hon'ble TDSAT on the subject matter and a stay order was granted on Company's petition no 232 of 2006 against the disconnection notice on September 21, 2006. BSNL Jalandhar Office subsequently raised a supplementary bill dated March 20, 2007 for Rs 5,206,780, to which the Company has submitted its reply on March 23, 2007 intimating that the matter being sub-judice and pending decision by the Hon'ble TDSAT, no coercive action be taken against the Company. The hearing on the matter has been completed and the Hon'ble TDSAT has pronounced the judgment on May 21, 2010 in Company's favour and has directed that BSNL and the Company should exchange relevant information and reconcile the differences. In the absence of information from BSNL, the Company is not in a position to determine the liability with respect to this matter. The Company, based on expert legal opinion, believes that there would be no financial liability against such bills and accordingly, has not recorded any liability towards the IUC and ADC supplementary bills during the year ended March 31, 2014.

(d) The Company is in receipt of Show Cause Notice dated June 4, 2007 from Department of Telecommunications ('DoT') for non fulfilment of first year's roll-out obligations of Unified Access Service License ('UASL') Agreement for Punjab Service Area, where in the licensee as per the terms of the license agreement was required to ensure that at least 10% of the District Headquarter / Towns are covered in the first year of the date of migration to UASL which commences from the date of Test Certificate issued by Telecom Engineering Centre ('TEC'). As stated by DoT in the Show Cause Notice issued, the Company has violated the conditions of UASL and accordingly Liquidated Damages of Rs 70,000,000 has been imposed and DoT has also sought explanation within 21 days as to why they should not take action against the Company under the UASL Agreement to which the Company has replied on September 27, 2007 that the Company has not violated the conditions of UASL and based on expert legal advice, the Company believes that there would be no financial liability against such claims of DoT and accordingly, has not recorded any liability towards the Liquidated Damages during the year ended March 31, 2014.

(e) The Company is in receipt of a demand of Rs 433,158,340 from Bharat Sanchar Nigam Limited ('BSNL') on December 20, 2008 on account of unilateral revision of access charges vide its letter dated April 28, 2001 for the period from June 2001 to May 2003, in contravention of the Interconnect Agreement and TRAI Regulations. The Company, Association of Unified Service Providers of India 'AUSPI' (erstwhile Association of Basic Telephone Operators 'ABTO') and other Basic Service Operators contested aforesaid revision in the rates of access charges before Telecom Dispute Settlement Appellate Tribunal ('TDSAT'). TDSAT vide its reasoned and detailed judgement dated April 27, 2005 allowed the refund claims and struck down the unilateral revision in the rates of access charges by BSNL and held that Telecom Regulatory Authority of India ('TRAI') is the final authority for fixing of access charges and access charges would be payable as rates prescribed by the TRAI and as per the Interconnect agreements. BSNL preferred an appeal in Hon'ble Supreme Court against the order of TDSAT and an interim stay was granted on October 19, 2006 Therefore aggrieved by such unilateral action on the part of BSNL by raising aforesaid demand and disturbing the status-quo, applications were moved by the Company, AUSPI and other Operators in the Hon'ble Supreme Court vide C.A No.5834-5836 of 2005 that was listed for hearing on February 9, 2009 and Hon'ble Supreme Court passed an order clarifying its previous order of October 19, 2006 and stayed the refunds claim against the BSNL there by upholding the TDSAT order dated April 27, 2005 whereby BSNL is refrained from raising the access charges demand. The Company based on the legal opinion believes that there would be no financial liability against this demand and has accordingly not recorded any liability towards access charges during the year ended March 31, 2014.

(f) The Company is in receipt of demand of Rs. 7,000,000 from Department of Telecommunications ('DoT'), Licensing Group (Access Services) vide their letter dated October 21, 2009 for issuance of SIM cards on fake ID in Punjab Service Area, where in the Licensee was required to ensure adequate verification of each and every customer before enrolling him as a subscriber. The Company has replied to DoT vide letter dated November 14, 2009 that the levy of penalty imposed by DoT was based on verification done by an agency other than the DOT – TERM Cells and the exercise was carried out suo moto and in complete disregard of the established procedures and guidelines laid by DoT. Accordingly the Company has requested DoT to have this validation done by the DOT – TERM Cell. The Company believes that there would be no financial liability against this demand and has accordingly not recorded any liability towards penalty during the year ended March 31, 2014.

(g) As per The Telecommunication Interconnect Usage Charges Regulations 2003, had fixed intra circle carriage charges payable per minute for all intra circle calls irrespective of the distance between originating and terminating points. Bharat Sanchar Nigam Limited ('BSNL') was charging additional amounts based on distance for the period October 2007 to March 2009 which was against the telecommunication Interconnect Usage Charges Regulations 2003 of TRAI. The matter was raised to Hon'ble TDSAT by service providers to which Hon'ble TDSAT vide it's order dated May 21, 2010 upheld the demand of BSNL. The liability of the Company on basis of BSNL demand amounted to Rs 4,110,959. Subsequently TRAI appealed against the order of TDSAT in the Hon'ble Supreme Court. The matter is sub-judice and the final decision of the Hon'ble Supreme Court in the matter is still awaited.

(h) The Company is in receipt of a Show Cause Notice amounting to Rs 1,020,00,000 dated May 17, 2013 from Department of Telecommunications ('DOT') purportedly for the alleged non-compliance of the Electro Magnetic Frequency Radiation Norms ('EMF Radiation Norms') prescribed by DOT in terms of DoT Circular dated 11.10.2012. The Company on May 21, 2013 has represented to DOT that the Company is not only 'fully compliant' with the specified limits of the EMF Radiation Norms but that the Company has also duly submitted the 'Self Certifications' in respect of all the 204 Base Transceiver Stations ('BTSs') set up in the Punjab Telecom Circle as mentioned in the Show Cause Notice well - within the stipulated last date of March 31, 2011 as prescribed by DOT. Further, since the company's representation was rejected by the DoT, the Company has filed a Petition before the Hon'ble TDSAT vide Petion No. 294 of 2013 which has been duly admitted by the Hon'ble TDSAT and interim protection granted to the company against any coercive action/steps by DoT under the EMF Norms. DoT has also filed its reply in the matter on December 6, 2013 and currently the matter is sub-judice and the final decision of the Hon'ble TDSAT is awaited. The matter has been clubbed for being heard together with the similar Petition No. 271 which has been filed by the COAI on behalf of the members on issues pertaining to EMF norms.

The Company is hopeful that no liability would arise on account of the demand received by the company from DoT or the TERM Cell in this regard and that the same would be set aside by the Hon'ble TDSAT.

However, the DOT (TERM Cell) Punjab has issued another Show Cause Notice to the company making a demand for Rs. 3,23,500,000 DOT vide letter number 8-8/EMR-QTL/TERM-PB/2013/15C dated December 30, 2013, wherein the TERM Cell, Punjab has imposed a penalty for alleged non compliance of Emission Magnetic Frequency ('EMF') radiation norms with respect to 647 Base Transreceiver Stations ('BTSs') as per list attached with the said letter, in terms of the Unified Access Services ('UAS') License granted to the company. The Company has since submitted its response to the TERM Cell vide letter dated January 8, 2014, wherein the Company clearly stated that it has duly complied with all the obligations under the UAS License, including the compliance with various guidelines issued by DOT from time to time. We are waiting for the reply from DOT (TERM-Cell)/Punjab

(i) The Company is in receipt of a Show Cause Notice for assessment of annual licence fees from Department of Telecommunications ('DOT') purportedly for disallowance of deductions claimed in audited AGR for the year 2007-08 amounting to Rs 70,870,158 vide letter no. 17-89/2013/LF-II-HFCL dated September 23, 2013, for the year 2008-09 amounting to Rs 43,355,118 vide letter no. 17-90/2013/LF-II-HFCL dated September 24, 2013, for the year 2009-10 amounting to Rs 33,397,359 vide letter no. 17-91/2013/LF-II-HFCL dated September 24, 2013, for the year 2010-11 amounting to Rs 12,713,140 vide letter no. 17-92/2013/LF-II-HFCL dated September 26, 2013. The Company has made a written representations for the year 2007-08 vide its letter no QTL/Reg/06-11/08 dated November 29, 2013, for the year 2008-09 vide its letter no QTL/Reg/06-11/07 dated November 20, 2013, for the year 2009-10 vide its letter no QTL/Reg/06-11/06 dated November 08, 2013, for the year 2010-11 vide its letter no QTL/Reg/06-11/03 dated October 30, 2013. The Company is confident that no liability would accrue regarding the same in future.

(2). Expenditure in foreign currency (on accrual basis)

Particulars	**For the year ended 31.03.2014**	**For the year ended 31.03.2013**
Interest Charges	-	2,808,282
Travel Expenses	28,975	154,840
Others	3,241,782	3,047,941
Total	**3,270,757**	**6,011,063**

(3). Managerial remuneration

Remuneration paid to Key Managerial Persons (KMPs) is as under:

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Salary	1,527,600	1,527,600
Employer's contribution to provident fund	183,312	183,312
Perquisites/ Allowances	2,581,836	2,006,937
Ex-gratia/ Performance linked incentive	312,714	1,333,161
Total	**4,605,462**	**5,051,010**

The above managerial remuneration does not include provision of gratuity of Rs 479,795 (March 31, 2013 – Rs 412,123) and leave encashment of Rs 649,554 (March 31, 2013 – Rs 607,379)as these provisions are computed on the basis of an actuarial valuation done for the Company and are provided in the financials.

Value of perquisites and other allowances has been determined in accordance with the provision of the Income-tax Act, 1961.

(4). Payments to auditors (excluding service tax)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
As Auditor:		
Audit fees	1,750,000	1,500,000
Tax audit fee	480,000	480,000
Out-of-pocket expenses	121,859	88,185
In other manner:	375,000	425,000
Total	**2,726,859**	**2,493,185**

(5). CIF value of imports

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Import of capital equipment (other than telephone instruments)	9,077,061	10,669,588
Import of telephone instruments	10,334,768	5,439,572
Components and Spares	868,606	124,112
Total	**20,280,435**	**16,233,272**

(6). Consumption of Stores & Spares

Particulars	For the year ended 31.03.2014		For the year ended 31.03.2013	
	Value	%	Value	%
Indigenous	84,357,827	98.92	65,818,439	99.57
Imported	921,685	1.08	285,662	0.43
Total	85,279,512	100.00	66,104,101	100.00

(7). Share Capital

(a) As of date, the entire paid up Equity Share Capital of the company comprising of 612,260,268 equity shares of Rs 10 each, stands listed on the Bombay Stock Exchange (BSE) Consequent upon the issuance of 86,743,116 equity shares allotted pursuant to the conversion of 7,551,178 OFCDs along with interest accrued thereon to the Financial Institution /Banks on July 8, 2009, the non-promoter shareholding in the Company increased from 38.02% to 46.80%, and the Promoters' Shareholding decreased from 61.97% to 53.19%, whereupon the Company requested BSE to grant listing of unlisted shares without insisting upon the stipulation of the condition for 'Offer for Sale. BSE, vide its letter DCS / AMAL / RCG/ GEN / 1108 / 2008-09 dated February 13, 2009, inter-alia, agreed to exempt the condition imposed on the Company to comply with requirement of making an offer for sale in the domestic market, subject to compliance of certain procedural requirements including 'three years lock-in' period of 25% of equity shares that had been issued pursuant to the merger on June 17, 2003 i.e. 25% of 432,000,250 shares (108,000,063 equity shares). The Company had - in compliance with the conditions stipulated by BSE - placed under lock-in 108,000,063 equity shares on May 14, 2009 for a period of 3 years ending May 15, 2012. The Company has also complied with all other necessary requirements pursuant to the letter from BSE dated February 13, 2009 related to 83,070,088 equity shares issued pursuant to corporate debt restructuring scheme. BSE had also agreed to grant in-principle approval for allotment of 86,743,116 equity shares to be issued to Banks and financial institutions on conversion upon filing of necessary listing application, which the Company has filed, vide its letter no. HITL/S&L/S-01/09/472 and 473 dated March 07, 2009. Consequently, vide their notice 20090514-12 dated May 14, 2009 hosted on it's website BSE had granted Listing and Trading permission in respect of the 432,000,250 equity shares issued pursuant to scheme of amalgamation. BSE had also granted Listing approval in respect of the 83,070,088 equity shares allotted as aforesaid vide their letter number DCS/PREF/DMN/FIP/239/09-10 dated May 25, 2009 and the shares were Listed by BSE vide its notice number 20090605-20 dated June 5, 2009.

(b) Out of the total paid up equity share capital comprising of 612,260,268 equity shares of Rs 10 each, 86,743,116 equity shares of Rs.10/- each (allotted on July 08, 2009, after obtaining in principle approval from the BSE and MSE. upon the conversion of Optionally Fully Convertible Debentures (OFCDs) allotted pursuant to the Corporate Debt Restructuring (CDR Cell) Consequently, the Listing approval in respect of these shares was granted by Bombay Stock Exchange (BSE) vide its letter number 20090813-08 dated August 13, 2009 w.e.f. August 14, 2009 and by the Madras Stock Exchange Limited vide its letter no.MSE/LD/PSK/738/215/09 dated September 01, 2009 w.e.f. September 01, 2009.

Out of the total paid up equity share capital comprising of 612,260,268 equity shares of Rs 10 each, 326,705,000 equity shares of Rs.10/- each representing 53.3604% of the total Paid up share capital of the Company – which were earlier held by Himachal Futuristic Communications Limited – the erstwhile promoter or Holding Company), were acquired by M/s Quadrant Enterprises Private Limited on 03rd April, 2010 in compliance with the SEBI Exemption Order in pursuance of the proposal for settlement / change of management of the Company approved under the New Restructuring Scheme as approved by the Corporate Debt Restructuring Cell (CDR Cell) on August 13, 2009.

(c) Pursuant to the Company's application in this regard, for Voluntary Delisting pursuant to the provisions of regulation 6(a) and 7(1) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009, the Madras Stock Exchange (MSE), MSE has vide its letter dated March 15, 2011, accepted and accorded its consent to the Voluntary Delisting of the Company's shares vide its letter No. MSE/LD/PSK/731/109/11 dated 15th March, 2011 accepting the Voluntary delisting of the company's equity shares from the MSE.

(d) Pursuant to the stipulation of CDR package dated August 13, 2009 with respect to Reduction of Issued, Subscribed & Paid up Equity Share Capital wherein the face value of the Paid Up Equity Shares would be reduced to Re. 1 per equity share from the existing face value of Rs. 10 per equity share, i.e. reduction in face value of Issued, Subscribed & Paid up Equity Share Capital by 90%. The Company had obtained the approval of shareholders for Reduction of Equity Share Capital in the Extra Ordinary General Meeting held on July 18, 2012, subject to confirmation by Bombay Stock Exchange 'BSE' and the Hon'ble Bombay High Court. Subsequently, BSE vide its letter number DCS/AMAL/RT/24(f)/295/2013-14 dated October 23, 2013 conveyed it's No Objection Certificate 'NOC' to file the scheme for Reduction of Equity Share Capital with the Hon'ble Bombay High Court. Accordingly, the Company has filed the Reduction of Equity Share Capital Petition with Hon'ble Bombay High Court on March 20, 2014. The matter is under consideration of the Hon'ble Bombay High Court.

(8). Secured Loans

(a) As per the CDR Scheme approved on March 10, 2004 and subsequently approved on June 4, 2005, the Lenders have signed Master Restructuring Agreement ('MRA') for restructuring of their Debts and Security Trusteeship Agreement, whereby the Lenders have entered into an agreement and appointed IDBI Trusteeship Services Limited (herein after referred as "ITSL") as their custodian of security. On November 11, 2005, the charges were registered in favour of the ITSL for Rupee Term Loans, for providing Specific Credit Facility, for Working Capital Assistance and Zero percent Secured OFCDs. The same are secured by first pari passu charge on immovable properties of the Company situated at Kandivali (East), Mumbai and properties situated at Mohali & Jalandhar under equitable mortgage, first pari passu charge of hypothecation of movable properties of the Company including movable plant & machinery, machinery spares, tools & accessories and other movables including book debts by way of hypothecation, both present and future. Further, the same are also secured by assignment of all rights, title, benefits, claims and interest in, under the project documents, insurance policies, all statutory, government and regulatory approvals, permissions, exemptions and waivers on pari passu basis. Subsequently, pursuant to the reworked restructuring scheme approved under CDR mechanism on June 24, 2005, the Company has entered into amendatory Master Restructuring Agreement and amendatory Security Trusteeship Agreement ('STA') on March 9, 2006, whereby Centurion Bank of Punjab has also joined as one of the lenders and has agreed to appoint ITSL as their custodian for security and signed the STA in line with other lenders in consortium.

On the request of the Company, Corporate Debt Restructuring Cell ('CDR') vide their letter no CDR (JCP) No 138 / 2009-10 ('CDR Letter') dated May 20, 2009 has approved the interim revised restructuring package. The revised restructuring package inter alia includes funding of interest from July 1, 2008 to October 31, 2009 on simple interest basis. Funded Interest on Term Loan ('FITL') would not carry any interest and the FITL shall be repaid in 16 equal monthly installments commencing from December 1, 2009, and has rescheduled the principle installments from August 1, 2008 to November 1, 2009 so as to be repayable from December 1, 2009 to March 1, 2011. Corporate Debt Restructuring ('CDR') cell vide their letter no CDR (JCP) No 563 / 2009-10 dated August 13, 2009 has approved a new restructuring scheme, which includes the induction of strategic investor / change of management and settlement proposal for Term Lenders. All the term lenders have given their acceptance to the new restructuring scheme. The new restructuring scheme has been made effective from April 1, 2009 and accordingly an amount of Rs 373,097,077 towards FITL from July 1, 2008 to March 31, 2009 has been considered as term loan.

In pursuant to the new restructuring scheme vide letter no. CDR (JCP) No 563 / 2009-10 dated August 13, 2009, The Company had allotted 15,984,543, 2 % Cumulative Redeemable Preference Shares of Rs.100 each aggregating to Rs.1,598,454,300 on November 9, 2010, to Financial Institution / Banks in conversion of 25% of their outstanding loans as on April 01, 2009.

In compliance with the aforesaid new restructuring scheme dated August 13, 2009 the Company had repaid on July 06, 2010 and July 07, 2010 an amount of Rs 1,598,454,522 being 25% of their outstanding loans as on April 01, 2009

In compliance with the aforesaid new restructuring scheme dated August 13, 2009, the Company had allotted 31,969,088 Redeemable Secured Non Convertible Debenture ('NCD') of Rs.100 each aggregating to Rs.3,196,908,800 on January 21,2013, to Financial Institution / Banks in conversion of 50% of their outstanding loans as on April 01, 2009.

The Company has compiled the most of the terms and conditions of Corporate Debt Restructuring Scheme as approved by the CDR Cell letter dated August 13,2009 and the Company is in process of Reduction of Equity Share Capital as referred to note 27 (7) (d)

(b) The above mentioned security has been further extended to the amount of secured loans and working capital assistance, together with the interest, compound interest, additional interest, default interest, costs, charges, expenses and any other monies payable by the Company in relation thereto and in terms with MRA and STA entered into between the lenders and ITSL.

(9). Unsecured Loans

(a) On October 16, 2004, the Company issued 1,667,761 zero percent Non Convertible Debentures ('NCDs') of Rs 100 each in lieu of interest accrued on term loans from a financial institution and a bank for the period April 1, 2003 to December 31, 2003. The NCDs earlier redeemable at par on March 31, 2014, are now redeemable at par on March 31, 2016 after repayment of the term loans as per reworked restructuring scheme effective from April 1, 2005.

(b) The Company under the terms of the agreement dated May 1, 2007 had taken convertible loan to facilitate expansion and development of businesses amounting to Rs 499,499,886 from Infotel Digicomm Private Limited. The convertible loan was repayable on demand with an option to convert the Loan into Equity Shares, subject to getting necessary approvals and subject to applicable pricing guidelines as per SEBI and other laws and regulations. On September 16, 2009 Infotel Digicomm Private Limited ('IDPL') had entered into an assignment agreement with Domebell Electronics India Private Limited ('DEIPL'), wherein IDPL had assigned the above convertible loan of Rs 499,499,886 to DEIPL. All the terms and conditions relating to the convertible loan remained the same. The interest accrues at the end of each quarter. During the year ended March 31, 2010 the Company has provided for interest amounting to Rs 14,984,997 @ 12% to IDIPL for the three months ended June 30, 2009. DEIPL on the basis of the assignment agreement dated September 16, 2009 has a right on the interest accruing from July 1, 2009 onwards. DEIPL have agreed to waive off the interest from July 1, 2009 till March 31, 2014, therefore no provision for such interest has been made by the Company. Consequent to the addendum to the assignment agreement, the convertible loan from DEIPL is now repayable after 7 years from the date of assignment agreement dated September 16, 2009.

(c) The Company under the terms of the agreement dated May 1, 2007 had taken buyer's credit facility to facilitate funding of the telecom project amounting to Rs 410,740,832 from Infotel Business Solutions Limited. The loan carries 12% interest and was repayable on demand. Infotel Business Solutions Limited had the option to convert the loan including interest accrued into equity shares, subject to applicable pricing guidelines as per SEBI and other laws and regulations. On September 16, 2009 Infotel Business Solutions Limited ('IBSL') has entered into an assignment agreement with Domebell Electronics India Private Limited ('DEIPL'), wherein IBSL has assigned the above buyer's credit facility of Rs 410,700,000 to DEIPL. All the terms and conditions relating to the buyer's credit facility remained the same. The interest accrues at the end of each quarter. During the year ended March 31, 2010 the Company has provided for interest amounting to Rs 12,322,225 @ 12% to IBSL for the three months ended June 30, 2009. and accordingly DEIPL on the basis of the assignment agreement dated September 16, 2009 has a right on the interest accruing from July 1, 2009 onwards DEIPL has agreed to waive off the interest from July 1, 2009 till March 31, 2014, therefore no provision for such interest has been made by the Company. Consequent to the addendum to the assignment agreement, the convertible loan from DEIPL is now repayable after 7 years from the date of assignment agreement dated September 16, 2009.

(d) The Company had taken an unsecured loan on July 06, 2010 of Rs.1,598,500,000 @ 8% per annum, the interest accrues at the end of each quarter. The lender has agreed to waive off the interest from July 06, 2010 to March 31, 2014, therefore no provision for said interest has been made by the Company. The aforesaid unsecured loan is repayable on demand after 7 years from the commencement of the unsecured loan.

(10). Fixed Assets and Capital work-in-progress

(a) Capital Work in Progress includes Goods in Transit of Rs. Nil (March 31, 2013 Rs Nil)

(b) As on March 31,2014 telephone instruments aggregating to a net book value of Rs 109,135,698 (March 31, 2013 – Rs 79,675,183) and other assets aggregating to net book value of Rs 1,018,995,267 (March 31, 2013 – Rs 1,029,215,214) are located at customer premises, other parties and at other operator's sites, respectively.

(11). Inventory for Network Maintenance

The Company holds inventory of network maintenance consumables and RUIM cards amounting to Rs 21,731,869 (March 31, 2013 – Rs 16,942,837). The quantity and valuation of inventory is taken as verified, valued and certified by the management.

(12). Deferred Taxes

During the year , the Company has incurred losses of Rs 2,611,608,163 (accumulated losses of Rs 19,397,027,202) resulting into a tax loss carry forward situation. The

Company is eligible for a tax holiday under section 80IA of the Income-tax Act, 1961. Though the management is confident of generating profits in the future, there is currently no convincing evidence of virtual certainty that the Company would reverse the tax loss carry forwards beyond the tax holiday period. Accordingly, the Company has not recognized any deferred tax assets resulting from the carry forward tax losses. Further, no deferred tax liabilities on account of temporary timing differences have been recognized since they are expected to reverse in the tax holiday period.

(13). Trade Payables include amount payable to Micro and Small Enterprises as at March 31, 2014 of Rs 337,208 (March 31, 2013 – Rs 816,620). The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information and records available with the Company.

Information for the supplier covered under the Micro, Small and Medium Enterprise Development Act, 2006, as at March 31, 2014 is as under –

Particulars	**For the year ended 31.03.2014**	**For the year ended 31.03.2013**
Principal Amount	337,308	816,620
Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each account year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small & Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year.	-	-

(14). The Company had received advance of Rs 6,846,046,047 (March 31, 2013 Rs. 4,955,927,643) to fund the entry fee for using GSM Technology under the existing Unified Access Services License (UASL) and business operations for Punjab Service Area. The same is included in Other Current Liabilities. No interest is payable on the said advance.

(15). Earning Per Share

The calculation of earning per share is based on the loss for the year and number of shares is shown below.

Particulars	**For the year ended 31.03.2014**	**For the year ended 31.03.2013**
Loss for the year (in Rs)	2,611,608,163	1,356,822,123
Weighted average number of equity shares	612,260,268	612,260,268
Nominal value per equity share (in Rs)	10	10
Earning per share – basic and diluted (in Rs)	(4.27)	(2.22)

(16). Operating leases

A. Company as a Lessee

(a) The Company has entered into various cancelable lease agreements for leased premises. Gross rental expenses for the year ended March 31, 2014 is Rs 74,465,642 (March 31, 2013 – Rs 67,334,772).

(b) The Company has entered into site sharing agreements with other operators for sharing of their infrastructure sites. During the year, the Company has incurred Rs 540,809,201 (March 31, 2013 – Rs 452,541,058) towards infrastructure sharing expenses.

Further lease payments under non-cancellable operating leases are as follows:-

Particulars	**As at 31.03.2014**	**As at 31.03.2013**
Payable not later than one year	571,453,695	514,044,850
Payable later than one year and not later than five years	1,010,592,051	1,200,895,000
Payable more than five years	152,437,755	95,679,309
Total	**1,734,483,501**	**1,810,619,159**

The escalation clause includes escalation at various periodic levels ranging from 0 to 50%, includes option of renewal from 1 to 99 years and there are no restrictions imposed on lease arrangements.

B. Company as a Lessor

The Company has entered into cancellable site sharing agreements with other operators for sharing of its infrastructure sites. During the year, the Company has accrued Rs 13,299,070 (March 31, 2013 – Rs 9,710,199) towards site sharing revenue.

The Company has entered into a non-cancellable lease arrangement to provide approximately 8,357.42 Fiber pair kilometers of dark fiber on indefeasible right of use (IRU) basis for a period of 15 years. The gross block, accumulated depreciation and depreciation expense of the assets given on IRU basis is not readily determinable and hence not disclosed. In respect of such leases, rental income of Rs 51,380,540(March 31, 2013– Rs 48,304,476) has been recognized in the Statement of Profit and Loss for the period ended March 31, 2014.

Further lease receipts (under non-cancellable operating leases) will be recognized in the Statement of Profit and Loss of subsequent years as follows:-

Particulars	As at 31.03.2014	As at 31.03.2013
Receivable not later than one year	38,806,906	38,806,906
Receivable later than one year and not later than five years	155,227,625	155,227,625
Receivable later than five years	83,952,771	122,759,678
Total	**277,987,303**	**316,794,209**

(17). Segmental Reporting

The primary reporting of the Company has been performed on the basis of business segments. The Company has only one business segment, which is provision of unified telephony services. Accordingly, the amounts appearing in these financial statements relate to this primary business segment. Further, the Company provides services only in the State of Punjab (including Chandigarh and Panchkula) and, accordingly, no disclosures are required under secondary segment reporting.

(18). Related Party Disclosures

As required under Accounting Standard 18 on "Related Party Disclosures", the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a) Name of Related Parties and its relationship:

Name	Relationship
Quadrant Enterprises Pvt. Ltd	Holding Company
Infotel Tower Infrastructure Private Ltd	100% Wholly Owned Subsidiary
Mr. Kapil Bhalla (Company Secretary & Manager under Section 269 of Companies Act, 1956)	Key Managerial Persons (KMPs)
Mr. Sunil Jit Singh (Chief Financial Officer)	Key Managerial Persons (KMPs)

b) Transactions / Outstanding balances with Related Parties.

Particulars	2013-14		2012-13	
	Wholly Owned Subsidiary	KMP	Wholly Owned Subsidiary	KMP
Sale of Material	162,340	--	781,461	--
Debit notes raised by us	177,715	--	243,845	--
Debit note raised on us	76,500	--	--	--
Purchase of Services	173,535,801	--	111,910,472	--
Reimbursement of Expenses	--		--	
Remuneration paid**	--	4,605,462	--	5,051,010
Payment made by Company	184,810,084	4,605,462	100,537,865	5,051,010
Closing Balance as at Balance Sheet date				
Amount receivable	28,893,325	--	17,355,487	--

** Managerial remuneration paid to key management personnel include Rs 3,017,365 (March 31,2013 – Rs 3,332,559) paid to Chief Financial Officer and Rs 1,588,097 (March 31,2013 – Rs 1,718,451) paid to Manager under Companies Act 1956.

(19). Unclaimed deposits from public

During the year ended March 31, 2004, the Company surrendered its licence granted by Reserve Bank of India ('RBI') to carry out NBFC business. Accordingly, the Company foreclosed all the unpaid / unclaimed deposits as on September 15, 2003 and the interest accruing thereon as on that date, and the same have been transferred to the Escrow Account in February 2004. On August 10, 2004, the Company has obtained the approval of the shareholders for the removal of NBFC related objects from the Memorandum of Association. Further, the Company submitted a letter dated July 7, 2004 for compliance and RBI vide its letter dated July 30, 2004 gave some concessions from compliance and has advised the Company to follow certain instructions till the balance in the escrow account is settled. The accompanying financial statements include the following account balances relating to the NBFC business whose licence granted by RBI was surrendered during the year ended March 31, 2004:

Interest accrued and due on deposits transferred to Investor Education and Protection Fund	Rs 543,480
Cheques outstanding beyond 6 months	Rs 523,618
Others (Under reconciliation)	Rs 18,961
	Rs 1,086,059
Balance with Scheduled banks in Escrow account	Rs 1,086,059

(20). Debenture redemption reserve

Pursuant to the CDR scheme on October 16, 2004, the Company had issued unsecured Zero% Non Convertible Debenture ('NCD') (Erstwhile OFCDs) aggregating to Rs 166,776,100 repayable as on March 31, 2016. Pursuant to the new restructuring scheme dated August 13,2009 the Company has to allot secured Non Convertible Debenture ('NCD') for Rs 3,196,909,043 to Financial institution and Banks equivalent to 50% of their outstanding loans as on April 01,2009 which shall be issued on completion of such approvals and conditions precedent. As per section 117C (1) of the Companies Act, 1956, a debenture redemption reserve ('DRR') is to be created to which adequate amounts are to be credited out of the profits of each year until such debentures are redeemed.

During the year ended March 31, 2014, the Company has incurred loss of Rs 2,611,608,163. Hence, in accordance with the clarification received from the Department of Company Affairs vide circular No 6/3/2001-CL.V dated April 18, 2002, the Company has not created Debenture redemption reserve.

(21). Employee Benefits

(a) During the year, the Company has recognized the following amounts in the Statement of Profit and Loss

Defined Contribution Plans

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Employer's Contribution to Provident Fund*	14,557,001	12,790,229
Employer's Contribution to ESI*	464,656	507,016

* Included in Employer's Contribution to Provident and Other Funds, Refer Note 21

Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India and ICICI Lombard General Insurance Company Limited is a defined benefit plan and the same is 100% funded. The present value of obligation is determined based on actuarial valuation using Project 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 leave encashment is recognised in the same manner as gratuity.

Experience adjustments are Nil and have not been disclosed as required under para 120 of Accounting Standard 15 relating to Employee benefits.

Particulars	2013-14		2012-13	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	4,045,628	4,496,767	3,475,527	6,693,776
Interest cost	1,809,554	2,113,205	1,530,097	1,786,841
Expected Return on plan assets	(75,223)	-	(103,672)	-
Actuarial (gain)/ loss	(685,325)	(593,394)	56,908	(3,316,935)
Past service cost	-	-	-	-
Curtailment and Settlement cost / (credit)	-	-	-	-
Net cost	**5,094,634**	**6,016,578**	**4,958,860**	**5,163,682**

The Company expects to contribute Rs. 10,600,000 towards employers' contribution for funded defined benefit plans in 2014-15.

(b) The assumptions used to determine the benefit obligations are as follows:

Particulars	2013-14		2012-13	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate	9.00%	8.00%	8.00%	8.00%
Expected Rate of increase in Compensation levels	7.00%	6.00%	6.00%	6.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%	8.00%	8.00%
Expected Average remaining working lives of employees (years)	7.93 Years	7.95 Years	7.95 Years	7.95 Years

(c) Reconciliation of opening and closing balances of benefit obligations and plan assets

Particulars	2013-14		2012-13	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Change in Projected Benefit Obligation (PBO)				
Projected benefit obligation at beginning of year	20,971,100	24,204,846	17,904,072	21,019,028
Current service cost	4,045,628	4,496,767	3,475,527	6,693,776
Interest cost	1,809,554	2,113,205	1,530,097	1,786,841
Benefits paid	(2,306,817)	(1,473,216)	(2,008,243)	(1,977,864)
Past service cost	-	(147,051)	-	-
Actuarial (gain) / loss	(672,312)	(593,394)	69,647	(3,316,935)
Projected benefit obligation at year end	**23,847,153**	**28,601,157**	**20,971,100**	**24,204,846**

Particulars	2013-14 Gratuity	2013-14 Leave Encashment	2012-13 Gratuity	2012-13 Leave Encashment
Change in plan assets :				
Fair value of plan assets at beginning of year	574,925	-	2,466,757	-
Expected return on plan assets	75,223	-	103,672	-
Actuarial gain / (loss)	13,013	-	12,739	-
Employer contribution	-	-	-	-
Contribution by plan participants	2,500,000	-	-	-
Settlement cost	-	-	-	-
Benefits paid	(2,306,817)	-	(2,008,243)	-
Fair value of plan assets at year end	**856,344**	**-**	**574,925**	**-**
Net funded status of the plan	**(22,990,809)**	**(28,601,157)**	**(20,396,175)**	**(24,204,846)**
Net amount recognized	**(22,990,809)**	**(28,601,157)**	**(20,396,175)**	**(24,204,846)**

Particulars	2013-14 Gratuity	2013-14 Leave Encashment	2012-13 Gratuity	2012-13 Leave Encashment
Fair value of plan assets :				
Fair value of plan assets at beginning of year	574,925	-	2,466,757	-
Actual return on plan assets	88,236	-	116,411	-
Employer contribution	2,500,000	-	-	-
Contribution by plan participants	-	-	-	-
Settlement cost	-	-	-	-
Benefits paid	(2,306,817)	-	(2,008,243)	-
Fair value of plan assets at year end	**856,344**	**-**	**574,925**	**-**

d) The expected rate of return on plan assets was based on the average long-term rate of return expected to prevail over the next 15 to 20 years on the investments made by the LIC. This was based on the historical returns suitably adjusted for movements in long-term government bond interest rates. The discount rate is based on the average yield on government bonds of 20 years.

e) The Company made annual contributions to the LIC of an amount advised by the LIC. The Company was not informed by LIC of the investments made by the LIC or the break-down of plan assets by investment type.

f) The estimates of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including demand and supply in the employment market. The above information is certified by the actuary.

g) The disclosure requirement as per para 120 (n) of Accounting Standard – 15 `Employee Benefits' as below:

	Gratuity			Leave Encashment		
Particulars	**2013-14**	**2012-13**	**2011-12**	**2013-14**	**2012-13**	**2011-12**
Defined benefit obligation	23,847,153	20,971,100	17,904,072	28,601,157	24,204,846	20,871,977
Plan assets	856,344	574,925	2,466,757	-	-	-
Surplus / (deficit)	(22,990,809)	(20,396,175)	(15,437,315)	(28,601,157)	(24,204,846)	(20,871,977)
Experience adjustments on plan liabilities	-	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-	-

22. Previous year's figures have been regrouped and reclassified wherever necessary and the figures have been rounded off to the nearest rupee.

As Per our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm registration number: 105049W

Naveen Jain
Partner
Membership No. 511596

For and on behalf of the Board of Directors

Yatinder Vir Singh
Director

Babu Mohanlal Panchal
Director

Sunil Jit Singh
Chief Financial Officer

Kapil Bhalla
Company Secretary & Manager

Place : Mohali
Date: May 30, 2014

AUDITORS' REPORT

To

The Board of Directors of

QUADRANT TELEVENTURES LIMITED

We have audited the accompanying consolidated financial statements of **Quadrant Televentures Limited** ("the Company") and its subsidiary **Infotel Tower Infrastructure Private Limited**, 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.

1. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements (CFS) 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 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.

2. Auditor's 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 presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 adverse audit opinion.

3. Basis for Qualified Opinion

In the case of holding company QTL, attention is invited to Note 27 (8) (a) to the financial statements, based on Company's request Corporate Debt Restructuring ('CDR') Cell vide their letter dated August 13, 2009 ('CDR letter') has revised the terms of CDR scheme with effect from April 1, 2009. The Company has accounted for the impact of revised CDR scheme as approved by CDR Cell after complying with the most of the terms and conditions stipulated therein, however compliance of some of them is still in process. These financial statements do not include any adjustment which may arise due to inability of the management to fulfill the remaining conditions precedent, the impact of which on the loss for the year, if any, is unascertainable.

4. Qualified 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 matters described in the Basis for Qualified Opinion paragraph the effect of which is unascertainable* and read together with the other notes, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the consolidated Statement of Profit and Loss Account, of the loss for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

5. Emphasis of Matter

a. In the case of Holding Company we draw attention to Note 26 (1) (c) to the financial statements. The Company has incurred a loss of Rs. 2,611,608,163/- during the year (accumulated loss of Rs. 19,397,027,202/-) resulting into erosion of its net worth, and has a net current liabilities of Rs. 9,171,780,281/- as at March 31, 2014. These factors raise a doubt that the Company will not be able to continue as a going concern. The management is confident of generating cash flows from business operations through increasing subscribers' base and with the support of significant shareholders to fund its operating and capital fund requirements. Accordingly, these statements have been prepared on a going concern basis. Our opinion is not qualified in respect of this matter.

b. In the case of subsidiary ITIPL, we draw attention to Note 23 (13) to the financial statements. The Company has incurred a loss of Rs. 5,323,201 during the year (accumulated loss of Rs. 25,427,088) resulting into erosion of its net worth as at March 31, 2014. This factor raises a doubt that the Company will not be able to continue as a going concern. The management is confident of generating cash flows and meeting its capital fund requirement. Accordingly, these statements have been prepared on a going concern basis. Our opinion is not qualified in respect of this matter.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No: 105049W

Naveen Jain
(Partner)
Membership No 511596

Place: Mohali
Date: 30th May, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(Unless and otherwise stated, all amounts are in rupees)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	8,371,056,980	8,371,056,980
(b) Reserves and surplus	2	(19,353,887,784)	(16,736,956,420)
		(10,982,830,804)	**(8,365,899,440)**
(2) Non-current liabilities			
(a) Long-term borrowings	3	5,872,384,786	5,872,384,786
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	1,164,453,211	1,102,379,859
(d) Long-term provisions	5	51,047,255	43,304,122
		7,087,885,252	**7,018,068,767**
(3) Current liabilities			
(a) Short-term borrowings	6	100,617,465	158,707,360
(b) Trade payables	7	1,317,648,029	780,479,838
(c) Other current liabilities	8	8,746,240,491	7,346,436,660
(d) Short-term provisions	9	25,123,426	20,938,424
		10,189,629,411	**8,306,562,282**
TOTAL		**6,294,683,859**	**6,958,731,609**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	3,705,877,097	4,097,071,955
(ii) Intangible assets	10	1,267,111,090	1,579,565,558
(iii) Capital work-in-progress		216,949,001	147,926,729
(b) Deferred tax Assets		3,772,637	2,127,344
(c) Long-term loans and advances	11	109,980,519	104,184,099
		5,303,690,344	**5,930,875,685**
(2) Current assets			
(a) Inventories	12	22,365,439	17,755,836
(b) Trade receivables	13	480,582,877	524,282,364
(c) Cash and Bank balance	14	104,381,553	251,086,758
(d) Short-term loans and advances	15	380,477,014	232,369,995
(e) Other current assets	16	3,186,633	2,360,971
		990,993,515	**1,027,855,924**
TOTAL		**6,294,683,859**	**6,958,731,609**
See other accompanying notes to the financial statements	1-28		

As per our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm registration number: 105049W

Naveen Jain
Partner
Membership No. 511596

Place : Mohali
Date : May 30, 2014

For and on behalf of the Board

Yatinder Vir Singh
Director

Babu Mohanlal Panchal
Director

Kapil Bhalla
Company Secretary & Manager

Sunil Jit Singh
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Unless and otherwise stated, all amounts are in rupees)

	Particulars	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
I.	Revenue from operations	**17**	4,088,014,292	3,300,058,474
II.	Other income	**18**	29,373,556	27,238,242
III.	**Total Revenue (I + II)**		**4,117,387,848**	**3,327,296,715**
IV.	Expenses:			
	Purchase of Stock-in -trade	**19**	1,420,427	1,845,302
	Changes in inventories of Finished Goods, Work in Progress and Stock in Trade	**20**	179,429	(146,455)
	Network Operation Expenditure	**21**	3,784,123,394	2,189,169,650
	Employee Benefits Expenses	**22**	713,151,588	483,836,526
	Sales & Marketing Expenditure	**23**	281,010,394	166,652,750
	Finance Cost	**24**	273,112,751	280,634,618
	Depreciation and Amortization Expenses	**10**	1,274,414,958	1,224,675,928
	Other Expenses	**25**	408,551,564	343,847,658
	Total expenses		6,735,964,505	4,690,515,976
V.	Profit before tax (III- IV)		(2,618,576,657)	(1,363,219,261)
VI.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		1,645,293	1,269,396
VII.	**Profit (Loss) for the period (V-VI)**		**(2,616,931,364)**	**(1,361,949,865)**
VIII.	Earnings per equity share: (Nominal Value of Rs 10/- each) [Refer Note 28 (12)]			
	(1) Basic		(4.27)	(2.22)
	(2) Diluted		(4.27)	(2.22)
	See other accompanying notes to the financial statements	**1-28**		

As per our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm registration number: 105049W

Naveen Jain
Partner
Membership No. 511596

Place : Mohali
Date : May 30, 2014

For and on behalf of the Board

Yatinder Vir Singh
Director

Babu Mohanlal Panchal
Director

Kapil Bhalla
Company Secretary & Manager

Sunil Jit Singh
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2014

(Unless and otherwise stated, all amounts are in rupees)

Particulars	For the period ended March 31, 2014	For the period ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year before Prior Year Expenditure and Tax	(2,587,681,191)	(1,348,261,064)
Adjustments for:		
Depreciation and Amortisation	1,274,414,957	1,224,675,925
Foreign exchange Loss/ (Gain)	(4,173,812)	(307,063)
Loss/ (Gain) on Sold / Discarded Fixed Assets	(9,826,497)	20,894,811
Bad Debts Written Off	42,421,214	41,012,221
Provision for Doubtful Debts	31,872,922	16,682,391
Finance Expenses [Refer Note 3 below]	273,112,752	280,634,618
Interest Income	(10,550,359)	(9,554,016)
Operating profit before working capital changes	**(990,410,014)**	**225,777,823**
Adjustment for changes in working capital:		
(Increase) / Decrease in debtors	(30,594,648)	(42,404,123)
(Increase) / Decrease in Loans and advances	(115,715,694)	90,865,342
(Increase)/ Decrease in Inventory	(4,609,603)	1,356,519
Increase / (Decrease) in Current liabilities and provisions	1,790,986,853	677,802,118
Cash generated from operations	**649,656,894**	**953,397,679**
Direct Taxes paid (Net)	(44,607,368)	(52,744,912)
Prior Period (Expense) / Income (Net)	(30,895,468)	(14,958,195)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**574,154,058**	**885,694,572**
CASH FLOW FROM INVESTING ACTIVITIES		
Adjustment for changes in:		
Purchase of fixed assets	(512,018,107)	(622,642,134)
Proceeds from sale of fixed assets	16,729,503	(4,917,080)
Fixed deposits	154,581,596	(131,624,980)
Interest Received	9,724,695	8,870,848
NET CASH USED IN INVESTING ACTIVITIES (B)	**(330,982,313)**	**(750,313,346)**
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Redemable Non Convertible Debentures ('NCDs')	-	3,196,908,800
Repayment of Secured Loan	(58,089,896)	(3,208,440,509)
Repayment of Public Deposits	-	(10,000)
Repayment to Unsecured Loan	-	-
Interest paid	(177,205,459)	(120,789,128)
Dividend paid	-	-
NET CASH USED IN FINANCING ACTIVITIES (C)	**(235,295,355)**	**(132,330,837)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**7,876,390**	**3,050,389**
Cash and Cash Equivalents at the beginning of the year	69,007,612	65,957,223
Cash and Cash Equivalents at the end of the year	**76,884,002**	**69,007,612**
Cash & Cash Equivalents		
Cash in Hand	17,889,963	10,182,555
Cheques in Hand	5,901,181	5,716,350
In Current Accounts	52,006,849	52,022,698
In Escrow Accounts*	1,086,009	1,086,009
Fixed Deposit Less Than 3 Months	-	-
Cash & Cash Equivalents	**76,884,002**	**69,007,612**

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement notified under Companies (Accounting Standard) Rules 2006, ('as amended')
2. Figures in brackets indicate cash outflow.
3. Finance expenses includes interest accrued but not due on secured loan as amounting to Rs 95,907,293 (March 31, 2013 - Rs 159,845,490) as per CDR Scheme.
4. Previous year figures have been regrouped and recast wherever necessary to conform to current year classification.

As per our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm registration number: 105049W

Naveen Jain
Partner
Membership No. 511596

Place : Mohali
Date : May 30, 2014

For and on behalf of the Board

Yatinder Vir Singh
Director

Babu Mohanlal Panchal
Director

Kapil Bhalla
Company Secretary & Manager

Sunil Jit Singh
Chief Financial Officer

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 1 - SHARE CAPITAL [Refer Note 28 (3)]	As at 31.03.2014	As at 31.03.2013
Authorised:		
1,200,000,000 (March 31, 2013 - 1,200,000,000) equity shares of Rs 10 each.	12,000,000,000	12,000,000,000
30,000,000 (March 31, 2013 - 30,000,000) 2% preference shares of Rs 100 each.	3,000,000,000	3,000,000,000
	15,000,000,000	**15,000,000,000**
Issued, Subscribed and Paid up :		
612,260,268 (March 31, 2013 - 612,260,268) equity shares of Rs 10 each fully paid.	6,122,602,680	6,122,602,680
6,500,000 (March 31, 2013 - 6,500,000) 2% cumulative redeemable preference shares ('CRPS') of Rs 100 each fully paid.	650,000,000	650,000,000
15,984,543 (March 31, 2013 - 15,984,543) 2% cumulative redeemable preference shares ('CRPS') of Rs 100 each fully paid.	1,598,454,300	1,598,454,300
	8,371,056,980	**8,371,056,980**

(a) Of the above

(i) 490,750 (March 31, 2013 - 490,750 of Rs. 10 each) equity shares of Rs 10 each, were allotted as fully paid bonus shares in the earlier years by way of capitalisation of reserves.

(ii) 83,070,088 equity shares of Rs 10 each were allotted on October 16, 2004, pursuant to the Corporate Debt Restructuring ('CDR') Scheme [Refer Note 28 (3) (a)].

Out of these, 63,373,110 equity shares of Rs 10 each were issued by the Company to Industrial Development Bank of India ('IDBI'), at par and the balance of 12,171,778 and 7,525,200 equity shares of Rs 10 each to Oriental Bank of Commerce ('OBC') and ING Vysya Bank Limited ('ING'), respectively, at a premium of Re 0.50 per equity share as per provisions of applicable law.

(iii) 8,67,43,116 equity shares of Rs.10 each were issued on July 08, 2009 MSE, consequent to the conversion of Optionally Fully Convertible Debentures (OFCDs) pursuant to the Corporate Debt Restructuring (CDR) Cell.

(b) As more fully discussed in Note 28 (3) (a), the Company in accordance with the scheme of amalgamation approved by the High Court of the State of Punjab and Haryana and the State of Tamil Nadu on March 6, 2003 and March 20, 2003, respectively under section 391 and 394 of the Companies Act, 1956, the erstwhile HFCL Infotel Limited (name earlier allotted to the transferor company), amalgamated with HFCL Infotel Limited now Quadrant Televentures Limited, (formerly The Investment Trust of India Limited). Subsequent to the approved amalgamation:

(i) 432,000,250 (March 31,2013 432,000,250)equity shares of Rs 10 each issued for consideration other than cash pursuant to the amalgamation of erstwhile HFCL Infotel Limited with the Company.

(ii) 1,730,814 equity shares of Rs 10 each were allotted on October 13, 2003, on conversion of the warrants issued to the shareholders of The Investment Trust of India Limited prior to June 11, 2003.

(c) Of the above

(i) 6,500,000 (March 31, 2013 - 6,500,000) 7.5 per cent CRPS were allotted on October 16, 2004, pursuant to the CDR Scheme, where under the specified part of the amount due to CRPS Holder by the Company was converted into 7.5 per cent CRPS redeemable after the repayment of Rupee Term Loan (in Financial Year 2016-17). As per the CDR Scheme , prior approval of the lenders would be required to declare dividend on 7.5 per cent CRPS and all the voting rights attached to the CRPS to be assigned in favour of the term lenders. On June 24, 2005 as per revised CDR Scheme, the dividend percentage was reduced to 2 per cent from 7.5 per cent with effect from date of issuance of CRPS. The CDR dated August 13,2009 does not stipulate any reference to the aforesaid CRPS. Accordingly the CRPS shall be redeemable in the Financial Year 2016-17. (With reference to CDR dated June 24,2005)

(ii) 15,984,543 (March 31,2013-15,984,543) 2% Cumulative Redeemable Preference Shares of Rs. 100 fully paid up, aggregating up to Rs. 1,598,454,300 were allotted on November 9, 2011 to the Banks and Financial Institution, namely, IDBI Bank Limited, Life Insurance Corporation of India, Oriental Bank of Commerce, ING Vysya Bank and State Bank of Patiala in terms of the Corporate Debt Restructuring Package (CDR Package) approved by the Corporate Debt Restructuring Cell (CDR Cell) vide their letter dated August 13, 2009, in conversion of 25% of their outstanding loans; the CRPSs shall be redeemed (monthly) over a period of four years commencing from April 1, 2021 at a premium of 34%.

(iii) Due to accumulated losses provision for dividend on CRPS of Rs 650,000,000 and Rs1,598,454,300 and premium on redemption of CRPS of Rs 1,598,454,300 is not required and hence not provided for in the financials.

NOTES FORMING PARTS OF THE ACCOUNTS

iv) The details of Shareholders holding more than 5 percent shares as at 31.03.2014 are as under

Name of Share Holder	No. of Shares as at 31.03.2014	% held as at 31.03.2014	No. of Shares as at 31.03.2013	% held as at 31.03.2013
Equity Shares				
Quadrant Enterprises Pvt Ltd.	326,705,000	53.36	326,705,000	53.36
IDBI Bank Ltd.	118,271,641	19.32	118,271,641	19.32
Oriental Bank of Commerce	39,021,337	6.37	39,021,337	6.37
Preference Shares				
IDBI Bank Ltd.	10,569,187	47.01	10,569,187	47.01
Shree Dhoot Trading & Agencies Ltd.	6,500,000	28.91	6,500,000	28.91
Oriental Bank of Commerce	1,981,254	8.81	1,981,254	8.81
Life Insurance Corporation of India	1,981,165	8.81	1,981,165	8.81

v) The reconciliation of the number of Shares outstanding as at 31.03.2014 is set out below:

Particulars	Figures As At 31.03.2014	Figures As At 31.03.2013
Number of Equity shares at the beginning	612,260,268	612,260,268
Add: Shares issued during the year	-	-
Number of shares at the end	612,260,268	612,260,268
Number of Preference shares at the beginning	22,484,543	22,484,543
Add: Shares issued during the year		-
Number of shares at the end	22,484,543	22,484,543

NOTE 2 - RESERVE AND SURPLUS	As at 31.03.2014	As at 31.03.2013
Capital Reserve:		
Balance at the beginning and end of the year	34,032,776	34,032,776
Securities Premium [Refer Note (a) below]		
Balance at the beginning and end of the year	22,633,732	22,633,732
Statutory Reserve [Refer Note (b) below]		
Balance at the beginning and end of the year	11,900,000	11,900,000
Profit & Loss A/c:		
Opening Balance	(16,805,522,928)	(15,443,573,063)
Add: Transfer from Statement of Profit & Loss	(2,616,931,364)	(1,361,949,865)
Closing Balance	**(19,422,454,292)**	**(16,805,522,928)**
Total	**(19,353,887,784)**	**(16,736,956,420)**

Of the above

(a) Securities premium includes an amount of Rs 9,848,489 received on allotment of 19,696,978 equity shares of Rs 10 each on October 16, 2004 at a premium of Rs 0.50 per equity share [Refer of Note 1 (a) (ii)].

(b) As more fully discussed in Note 27 (1) (a), the Company (erstwhile The Investment Trust of India Limited) was a Non-Banking Financial Corporation ('NBFC') under the Certificate of Registration ('CoR') No 07.00222 dated April 18, 1998. Further, as more fully discussed in Note 28 (16), the Company had surrendered its CoR with the Reserve Bank of India ('RBI'). In 2004 As a condition for the cancellation of the CoR, the RBI had advised the Company to follow certain strictures till the balance in the escrow account is settled.

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 3 - LONG TERM BORROWING	As at 31.03.2014	As at 31.03.2013
Secured [Refer Note 28(4)]		
Redemable Secured Non Convertible Debentures ('NCDs') Pursuant to Revised CDR	3,196,908,800	3,196,908,800
Unsecured [Refer Note 28 (5)]		
Zero per cent Non Convertible Debentures ('NCDs') (erstwhile OFCDs)	166,776,100	166,776,100
Loans from Body Corporate	2,508,699,886	2,508,699,886
Total	**5,872,384,786**	**5,872,384,786**

a. Yield of Interest and Premium on redemption of Secured Non-Convertible Debentures is 8% p.a.

b. Redemable Secured Non-Convertible Debentures as per CDR is secured by first pari passu charge on movable and immovable fixed assets and first pari passu charge on Current Assets, assignment of license / contracts and fully detailed in note 28(4)(a).

c. Redemption Schedule of the Secured Non Convertible Debenture.

Financial Year	Amount of Non Convertible Debenture
2017	319,690,904
2018	319,690,904
2019	639,381,809
2020	639,381,809
2021	639,381,809
2022	639,381,809

d. On October 16, 2004, the Company issued 1,667,761 zero percent Non Convertible Debentures ('NCDs') of Rs 100 each in lieu of interest accrued on term loans from a financial institution and a bank for the period April 1, 2003 to December 31, 2003. The 'NCD's earlier redeemable at par on March 31, 2014, are now redeemable at par on March 31, 2016 after repayment of the term loans as per revised CDR Scheme effective from April 1, 2005.

NOTE 4 - OTHER LONG TERM LIABILITIES	As at 31.03.2014	As at 31.03.2013
Interest accrued but not due on borrowings	863,692,220	767,784,927
Security Deposits		
- From Subscribers	14,302,792	15,424,675
- From Others	44,327,591	37,822,589
Advance From Customers and Unaccrued Income	242,130,608	281,347,668
Total	**1,164,453,211**	**1,102,379,859**

NOTE 5 - LONG TERM PROVISIONS [Refer Note 28(18)]	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits.		
Leave Encashment / Availment	27,116,737	22,894,087
Gratuity	23,930,518	20,410,035
Total	**51,047,255**	**43,304,122**

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 6 - SHORT TERM BORROWINGS	As at 31.03.2014	As at 31.03.2013
Secured		
Working Capital from Scheduled Banks	100,617,465	158,707,360
Total	**100,617,465**	**158,707,360**

Working capital loan is secured by first pari passu charge on movable and immovable fixed assets and first pari passu charge on Current Assets, assignment of license / contracts and fully detailed in note 28 (4) (a).

NOTE 7 - TRADE PAYABLE	As at 31.03.2014	As at 31.03.2013
Due to Micro / Small & Medium Enterprises [Refer Note 28 (10)]	337,208	816,620
For Expenses	1,317,310,821	779,663,218
Total	**1,317,648,029**	**780,479,838**

NOTE 8 - OTHER CURRENT LIABILITIES	As at 31.03.2014	As at 31.03.2013
Current maturities of long-term debts		
Advances from customers and unaccrued income	303,440,752	251,442,448
Other Adavnces	6,846,646,047	4,956,527,643
For Capital Goods	1,513,347,513	2,074,301,570
Book Bank Overdraft	2,965,965	478,047
Other liabilities including statutory dues*	79,840,214	63,686,952
Total	**8,746,240,491**	**7,346,436,660**

* Other Current liabilities include cheques outstanding beyond six months of Rs 523,618 (March 31, 2013 - 523,618) due on deposits towards repayment of public deposits under the NBFC CoR and Rs. 543,480 interest accrued & due on deposits to be transferred to investors education & protection fund. [Refer Note 28(16)].

NOTE 9 - SHORT TERM PROVISIONS [Refer Note 28(18)]	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits.		
Leave Encashment / Availment	23,776,334	19,691,885
Gratuity	1,347,092	1,246,539
Total	**25,123,426**	**20,938,424**

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 10: FIXED ASSETS [Refer Note 28(6)]

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
TANGIBLE ASSETS	**As at April 1, 2013**	**Additions during the period**	**Sale/ Adjustment during the period**	**As at March 31, 2014**	**As at April 1, 2013**	**Depreciation for the period**	**On Sale/ Adjustment**	**As at March 31, 2014**	**As at March 31, 2014**	**As at March 31, 2013**
Land - Freehold	16,142,623	-	-	16,142,623	-	-	-	-	16,142,623	16,142,623
Land - Leasehold	8,896,419	-	-	8,896,419	1,293,309	92,160	-	1,385,469	7,510,950	7,603,110
Building	189,189,617	150,717	-	189,340,335	43,243,945	3,676,126	-	46,920,071	142,420,263	145,945,672
Leasehold Improvements	81,527,910	663,551	-	82,191,461	71,096,515	2,440,204	-	73,536,718	8,654,742	10,431,395
Network Equipment	5,764,517,318	391,807,685	28,255,214	6,128,069,789	3,268,458,235	477,547,786	22,002,676	3,724,003,345	2,404,066,443	2,496,059,083
Optical Fibre Cable and Copper Cable	4,597,076,119	27,892,878	152	4,624,968,844	3,386,446,566	352,822,968	44	3,739,269,490	885,699,355	1,210,629,553
Telephone Instruments at Customers Premises	340,337,882	71,570,972	17,131,581	394,777,273	245,223,258	42,781,792	16,672,722	271,332,328	123,444,945	95,114,624
Computers	300,277,150	22,250,526	191,233	322,336,442	197,815,243	24,873,347	19,800	222,668,789	99,667,653	102,461,907
Office Equipment	46,685,145	2,374,605	426,903	48,632,846	38,328,232	2,375,646	406,834	40,297,043	8,335,803	8,356,913
Furniture & Fixture	43,374,916	5,268,126	431,915	48,211,127	39,568,843	1,510,192	431,915	40,647,121	7,564,007	3,806,073
Vehicles	15,448,517	2,299,000	-	17,747,517	14,927,520	449,689	-	15,377,209	2,370,308	520,997
T O T A L	**11,403,473,616**	**524,278,058**	**46,436,998**	**11,881,314,677**	**7,306,401,665**	**908,569,910**	**39,533,992**	**8,175,437,583**	**3,705,877,094**	**4,097,071,951**
Previous Year ended March 31,2013	**11,050,230,775**	**436,597,679**	**83,354,838**	**11,403,473,616**	**6,505,148,297**	**868,630,475**	**67,377,111**	**7,306,401,661**		

	GROSS BLOCK				AMORTISATION				NET BLOCK	
INTANGIBLE ASSETS	**As at April 1, 2013**	**Additions during the period**	**Sale/ Adjustment during the period**	**As at March 31, 2014**	**As at April 1, 2013**	**Amortisation for the period**	**On Sale/ Adjustment**	**As at March 31, 2014**	**As at March 31, 2014**	**As at March 31, 2013**
Computer Software	245,243,868	53,390,579	-	298,634,447	194,053,049	21,247,459	-	215,300,509	83,333,938	51,190,819
Licence Entry Fees	2,352,658,603	-	-	2,352,658,603	1,739,477,914	136,055,290	-	1,875,533,203	477,125,400	613,180,689
Licence Entry Fees GSM [Refer Note 27 (1) (b)]	1,517,500,000	-	-	1,517,500,000	608,551,863	202,296,384	-	810,848,247	706,651,753	908,948,137
Goodwill [Refer Note 28(8)]	31,229,573	-	-	31,229,573	24,983,659	6,245,914	-	31,229,573	-	6,245,914
T O T A L	**4,146,632,044**	**53,390,579**	**-**	**4,200,022,623**	**2,567,066,484**	**365,845,048**	**-**	**2,932,911,532**	**1,267,111,091**	**1,579,565,559**
Previous Year ended March 31,2013	**4,098,587,680**	**48,044,363**	**-**	**4,146,632,044**	**2,211,021,032**	**356,045,454**	**-**	**2,567,066,486**		

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 11 - LONG TERM LOANS AND ADVANCES	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Capital Advances	2,304,952	9,170,072
Security Deposits	64,685,438	59,547,949
Advances Recoverable in cash or in kind or for value to be received	42,990,129	35,466,078
Doubtful		
Security Deposits	1,186,199	1,186,199
Advances Recoverable in cash or in kind or for value to be received	802,642	802,642
Less: Provision For Doubtful Advances	(1,988,841)	(1,988,841)
Total	109,980,519	104,184,099

NOTE 12 - INVENTORIES [Refer Note 28 (7)]	As at 31.03.2014	As at 31.03.2013
Inventory Held for installation and maintenance of network	22,365,439	17,755,836
Total	**22,365,439**	**17,755,836**

NOTE 13 - TRADE RECEIVABLES	As at 31.03.2014	As at 31.03.2013
Trade Receivables Outstanding for a period exceeding six months:		
Secured, Considered Good	4,030,981	4,098,245
Unsecured, Considered Good	33,154,419	24,122,786
Doubtful	181,834,096	158,640,666
Others		
Secured, Considered Good	773,273	1,227,209
Unsecured, Considered Good	442,624,203	494,834,123
Doubtful	12,182,535	9,226,281
	674,599,508	**692,149,310**
Less: Provision for Doubtful Trade Receivables	(194,016,631)	(167,866,946)
Total	**480,582,877**	**524,282,364**

a) Debtors are secured to the extent of deposit received from the subscribers.

b) Includes Rs 134,557,517 (March 31, 2013 - Rs 113,959,342) of unbilled revenues, the invoices for which have been raised subsequent to March 31, 2014 [Refer Note 27 (2.12)]

NOTE 14 - CASH AND BANK BALANCE	As at 31.03.2014	As at 31.03.2013
Cash & Cash Equivalents		
Cash in Hand	17,889,964	10,182,555
Cheques in Hand	5,901,181	5,716,350
In Current Accounts	52,006,849	52,022,698
In Escrow Accounts*	1,086,009	1,086,009
Fixed Deposit Less Than 3 Months		
Other Bank Balance**		
Fixed Deposit More Than 3 Months but Less than 12 Months	27,497,550	182,079,146
Fixed Deposit More Than 12 Months		
Total	**104,381,553**	**251,086,758**

* The balance with scheduled banks in Escrow account is towards public deposits payable by the Company [Refer Note 28 (16)]

** Balances with banks to the extent held as margin money against BG & LC's are of Rs. 27,449,592/- (March 31, 2013 Rs. 48,549,592/-)

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 15 - SHORT TERM LOANS & ADVANCES	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
TDS Recoverable	170,152,167	125,099,302
Balance with Customs, Excise and Service Tax	153,820,260	57,772,262
Advances Recoverable in cash or in kind or for value te be received	56,504,587	49,498,431
Total	**380,477,014**	**232,369,995**

NOTE 16 - OTHER CURRENT ASSETS	As at 31.03.2014	As at 31.03.2013
Interest Accrued on FDR	3,186,633	2,360,971
Total	**3,186,633**	**2,360,971**

NOTES TO THE PROFIT AND LOSS

NOTE 17 - REVENUE FROM OPERATIONS	For the year ended 31.03.2014	For the year ended 31.03.2013
Sale		
Sale of products;	2,234,960	2,761,229
Sale of services;		
From Unified Access Services	2,284,413,998	1,943,959,142
From interconnection Usage Charges	322,792,583	215,176,749
From Infrastructure Services	64,679,611	58,014,672
From Internet Services	1,388,065,595	1,078,501,626
From Providing Manpower Services	23,390,241	-
From Other Services	2,437,304	1,645,056
Total	**4,088,014,292**	**3,300,058,474**

NOTE 18 - OTHER INCOME	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest Income	10,550,359	9,554,016
Sale of Scrap	3,974,514	4,519,239
Rental Income	12,477,241	12,430,714
Miscellaneous Income	2,371,442	734,273
Total	29,373,556	27,238,242

NOTE 19 - PURCHASE OF STOCK IN TRADE	For the year ended 31.03.2014	For the year ended 31.03.2013
Purchases during the year	1,420,427	1,845,302
Total	**1,420,427**	**1,845,302**

NOTE 20 - CHANGE IN INVENTORY OF STOCK IN TRADE	For the year ended 31.03.2014	For the year ended 31.03.2013
Opening Stock in trade	812,999	666,544
Closing Stock in trade	633,570	812,999
(Increase)/Decrease in Inventory (a-b)	**179,429**	**(146,455)**

NOTES TO THE PROFIT AND LOSS

NOTE 21 - NETWORK OPERATION EXPENDITURE	For the year ended 31.03.2014	For the year ended 31.03.2013
Interconnect Usage Charges	1,980,090,762	935,700,379
Other Value Added Service charges	50,398,080	30,973,541
Port Charges	21,838,917	30,791,442
Testing and Technical Survey Expenses	-	70,000
Licence Fees on Revenue Share Basis	209,692,594	147,690,355
Royalty and licence fees to Wireless Planning Commission	26,661,877	32,033,655
Stores and Spares Consumed	85,279,512	67,656,447
Rent Node site	46,453,502	42,397,627
Infrastructure Sharing Rent	540,643,701	452,541,058
Electricity and Water -Network	373,581,505	244,773,906
Security Charges	1,081,980	637,693
Repair & Maintenance - Network	350,340,945	102,986,267
Bandwidth Charges	98,060,019	100,917,280
Total	**3,784,123,394**	**2,189,169,650**

NOTE 22 - EMPLOYEE BENEFIT EXPENSES	For the year ended 31.03.2014	For the year ended 31.03.2013
Salaries, Wages and Bonus	647,490,471	437,753,395
Employer's Contribution to Provident and other Funds	34,354,396	23,833,104
Leave Encashment / Availment	6,610,906	5,873,769
Gratuity	6,121,036	5,480,839
Staff Welfare Expenses	15,107,870	8,585,679
Recruitment & Training Expenses	3,466,909	2,309,740
Total	**713,151,588**	**483,836,526**

NOTE 23 - SALES & MARKETING EXPENDITURE	For the year ended 31.03.2014	For the year ended 31.03.2013
Sales and Business Promotion	46,277,858	6,930,367
Advertisement Expenses	93,137,599	29,194,863
Customers Acquisition Costs	141,594,937	130,527,520
Total	**281,010,394**	**166,652,750**

NOTE 24 - FINANCE COSTS	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest on Non Convertible Debentures	255,752,754	255,752,784
Interest to Others	11,343,426	18,311,405
Bank Guarantee Commission	3,582,980	3,290,560
Trustees Fee	750,000	849,994
Monitoring Fees	1,000,000	1,000,000
Other Finance Charges	683,591	1,429,875
Total	**273,112,751**	**280,634,618**

NOTES TO THE PROFIT AND LOSS

NOTE 25- OTHER EXPENSES		For the year ended 31.03.2014	For the year ended 31.03.2013
Foreign exchange fluctuation		7,227,687	7,611,018
Payments to the auditor			
Audit Fees		1,850,000	1,600,000
Tax Audit Fees		505,000	505,000
Other services		375,000	425,000
Reimbursement of expenses		121,859	88,185
Prior period Adjustments		30,895,468	14,958,195
Technical Expenses		1,121,651	1,186,971
Legal and Professional Expenses		15,293,167	10,731,921
Travelling and Conveyance		96,117,712	68,497,723
Communication Expenses		2,434,476	3,407,796
Rent		26,679,365	24,937,144
Security Charges		8,638,190	6,275,748
Repairs and Maintenance - Building		1,111,131	334,826
Repairs and Maintenance - Others		14,571,730	10,932,907
Electricity and Water		23,473,277	18,289,765
Insurance		2,190,389	6,208,667
Rates and Taxes		9,033,925	8,666,243
Freight & Cartage		6,543,948	6,191,430
Printing and Stationary		3,148,277	2,565,637
Billing and Collection Expenses		86,621,649	65,791,145
Directors' Fees		221,720	213,440
Loss/ (Gain) on sale and Discarded of Fixed Assets		(9,826,497)	20,894,811
Bad Debts Written off	48,144,451		
Less; Provision for Doubtful Debts	(5,723,237)	42,421,214	41,012,221
Provision for Doubtful Debts		31,872,922	16,682,391
Miscellaneous Expenses		5,908,304	5,839,474
Total		**408,551,564**	**343,847,658**

NOTE 26 - CONTINGENT LIABILITIES	For the year ended 31.03.2014	For the year ended 31.03.2013
Estimated value of contracts remaining to be executed on capital account and not provided for net of capital advances Rs. 2,304,952 (March 31,2013 Rs 9,170,072)	113,014,325	121,006,095
Bank Guarantees given against Bid Bonds/Performance/Advance		
Financial Bank Guarantees	86,402,345	82,202,345
Performance Bank Guarantees	52,963,000	53,294,948
Open Letter of Credits (Margin Deposit Rs. Nil [March 31, 2013 - Rs. 23,998,323)]	-	27,554,745
Income tax matters under appeal Principal Amount [Refer Note 28 (1) (a)].	7,004,687	7,004,687
Income tax matters under appeal Interest Amount [Refer Note 28 (1) (a)].	7,354,921	6,514,359
Claims against the Company not acknowledged as debts	9,780,973	5,022,700
Dividend on 2% cumulative redeemable preference shares ('CRPS') of Rs 1,598,454,300	159,845,430	127,876,344
Others [Refer Note 28 (1) (b, c, d, e, f,g,h and i).	1,522,233,377	1,038,397,602
Total	**1,958,599,058**	**1,468,873,825**

NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS AS AT AND FOR THE YEAR ENDED MARCH 31, 2013

[All amounts in Indian Rupees, except share data including share price, unless otherwise stated]

NOTE 27: BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

1. Background

(a) Nature of business and ownership

Quadrant Televentures Limited (Formerly known as HFCL Infotel Limited) ('the Company' or 'QTL'), Unified Access Services Licensee for Punjab Circle (including Chandigarh and Panchkula), is providing complete telecommunication services, which includes voice telephony, both wireline and fixed wireless, CDMA and GSM based mobiles, internet services, broadband data services and a wide range of value added service viz., centrex, leased lines, VPNs, voice mail, etc. The services were commercially launched in October 2000. As on March 31, 2014, the Company has an active subscriber base of over 1,990,122.

The Company was incorporated on August 2, 1946 with the name of The Investment Trust of India Limited (ITI) which was subsequently changed to HFCL Infotel Limited on May 12, 2003. This was done pursuant to a Scheme of amalgamation (the Scheme), approved by the Hon' able High Court of the State of Punjab and Haryana and the State of Tamil Nadu on March 6, 2003 and March 20, 2003, respectively, whereby the *erstwhile* HFCL Infotel Limited (name earlier allotted to the transferor Company) ('*erstwhile* HFCL Infotel') was merged with the Company with effect from September 1, 2002. As per the Scheme envisaged, the Company's then existing business of hire purchase, leasing and securities trading was transferred by way of slump sales to its wholly owned subsidiary, Rajam Finance & Investments Company (India) Limited ('Rajam Finance') with effect from September 1, 2002. Rajam Finance was renamed as The Investment Trust of India Limited with effect from June 17, 2003 and it ceased to be the subsidiary of the Company with effect from September 30, 2003, due to allotment of fresh equity by Rajam Finance to other investors.

The Company, during the year ended March 31, 2004, surrendered its license granted by Reserve Bank of India ('RBI') to carry out NBFC business. RBI confirmed the cancellation of the NBFC license as per their letter dated May 24, 2004.

On September 24, 2010 the name of Company was changed to Quadrant Televentures Limited.

Infotel Tower Infrastructure Private Limited ('ITIPL') is a 100 % Subsidiary Company. The principal business of the Company is building, establishing, setting-up, accruing, developing, advising on, managing, providing, operating and/or maintaining, facilitating conduct of, fully or partially infrastructure facilities and services thereof for all kinds of value added services including Broadband Towers for telecom operations/services, payment gateway services and international gateway services.

QTL, together with its subsidiaries ITIPL is hereinafter collectively referred to as 'the Group'

(b) License Fees

The Company obtained licence for Basic Telephony Service for the Punjab circle (including Chandigarh and Panchkula) by way of amalgamation of the erstwhile HFCL Infotel with the Company. Erstwhile HFCL Infotel had obtained this licence under fixed license fee regime under National Telecom Policy ('NTP') 1994, valid for a period of 20 years from the effective date, and subsequently migrated from the fixed license fee regime to revenue sharing regime upon implementation of NTP 1999. Further to the Telecom Regulatory Authority of India's ('TRAI') recommendations of October 27, 2003 and the Department of Telecommunications ('DoT') guidelines on Unified Access (Basic & Cellular) Services Licence ('UASL') dated November 11, 2003, the Company migrated its licence to the UASL regime with effect from November 14, 2003. A fresh License Agreement was signed on May 31, 2004. Pursuant to this migration, the Company became additionally entitled to provide full mobility services. HFCL Infotel also entered into a Licence Agreement dated June 28, 2000, and amendments thereto, with DoT to establish maintain and operate internet service in Punjab circle (including Chandigarh and Panchkula).

During the year ended March 31, 2008, the Company has deposited the entry fee to the Department of Telecommunication ('DOT') for the use of GSM Technology in addition to CDMA technology being used under the existing (UASL) for the Punjab Service Area. The UASL has since been amended to incorporate the license for use of GSM technology on January 15, 2008 vide DOT's letter number F.No.10-15/2004/BS.II/HITL/ Punjab/17 dated January 15, 2008. The Company has launched its GSM services on March 29, 2010 in Punjab Circle.

With effect from August 1, 1999, the Company is required to pay revenue share license fees as a fraction of Adjusted Gross Revenue ('AGR') on UASL, The revenue share fraction other than income from Internet Services was set at 10 per cent of AGR with effect from August 1, 1999 and was reduced to 8 per cent of AGR with effect from April 1, 2004. In addition, spectrum charges calculated at 3 per cent of the AGR earned through the wireless technology is payable under the license agreement.

With effect from July 01, 2012 Income from internet services is included as the service revenue for the purpose of the calculation of AGR under Internet Services Licence as it is governed by a separate ISP licence between the Company and the Department of Telecommunications ('DoT').The revenue share fraction is set at 4% for July 01, 2012 to March 31, 2013 and 8% from April 1, 2013 onwards of income from internet revenue ('AGR' under Internet Service Licence).

(c) Project Financing

The Company's project was initially appraised by

Industrial Development Bank of India ('IDBI') during the year ended March 31, 2000.

Pursuant to the migration to UASL regime, the consortium of lenders, led by IDBI, through the Corporate Debt Restructuring ('CDR') mechanism approved an overall restructuring of the liabilities of the Company and thereby revised the peak funding requirements.

Further, the CDR Empowered Group has approved the proposal of the Company for expansion of services, change in the scope of the project, cost of project and means of finance and restructuring of debt as per the reworked restructuring scheme dated June 24, 2005.

During the year ended March 31, 2014, the Company has incurred losses of Rs 2,611,608,163 resulting into accumulated loss of Rs 19,397,027,202 as at March 31, 2014 which has completely eroded its net worth and has a net current liability of Rs 9,171,780,281 The ability of the Company to continue as a going concern is substantially dependent on its ability to successfully arrange the remaining funding and achieve financial closure to fund its operating and capital funding requirements and to substantially increase its subscriber base. The management in view of its business plans and support from significant shareholders is confident of generating cash flows to fund the operating and capital requirements of the Company. Accordingly, these statements have been prepared on a going concern basis.

During the year ended March 31, 2014 ITIPL has incurred losses of Rs 5,323,201 resulting into accumulated loss of Rs 25,427,088 as at March 31, 2014 which has completely eroded its net worth. The ability of the Company to continue as a going concern is dependent on the success of its operations and ability to arrange funds for its operations. The management is confident of meeting of its funds requirements in the future and generating cash flow. Accordingly, these statements have been prepared on a going concern basis.

2. Summary of significant accounting policies

2.1 Basis of preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 ('as amended'), and the relevant provisions of the Companies Act, 1956. The preparation of financial statements is in conformity with the Generally Accepted Accounting Principals. The financial statements have been prepared under the historical cost convention on an accrual basis of accounting. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The significant accounting policies are as follows:

2.2 Principles of Consolidation

These consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the balance sheet, statement of profit and loss and cash flows of QTL and ITIPL as at March 31, 2014. All material inter-Company transactions and balances between the entities included in the consolidated financial statements have been eliminated.

Minority interest represents that part of the net assets of a subsidiary attributable to interests, which are not owned directly or indirectly through subsidiary, by QTL.

The significant accounting policies adopted by the Group in respect of the consolidated financial statements are detailed as follows:

2.3 Fixed Assets

Fixed assets are stated at cost (net of cenvat credit if availed) less impairment loss, if any, and accumulated depreciation. The Company capitalises direct costs including taxes (excluding cenvat), duty, freight and incidental expenses directly attributable to the acquisition and installation of fixed assets. Capital work-in-progress is stated at cost.

Telephone instruments having useful life lying with deactivated customers for more than 90 days since disconnection are written off.

2.4 Inventory

Inventory is valued at cost or net realisable value which ever is low. Cost for the purchase is calculated on FIFO basis

2.5 Depreciation

Depreciation is provided pro-rata to the period of use (except for Telephone Instruments, being ready for use are depreciated from the beginning of the month, following the month of purchase), on the straight line method based on the estimated useful life of the assets, as follows:

Asset	Useful life (in years)
Leasehold Land	Over the lease term
Buildings	Office Building 30 years Others 61 years
Leasehold Improvements	10 years or over the lease term, whichever is lower
Network Equipment (other than batteries) Batteries	9.67 years 5 years
Testing Equipments (included in Network Equipments)	5 years
Optical Fibre Cable and Copper Cable	15 years
Telephone Instruments	5 years
Computers	6.17 years
Software	5 years
Office Equipments	10 years, except in case issued to employees, where asset is depreciated in 5 years
Furniture and Fixture	10 years, except in case issued to employees, where asset is depreciated in 5 years
Vehicles	4 years
Fixed Assets costing less than Rs 5,000 (other than Telephone Instruments)	Fully depreciated when they are ready for use.
Goodwill	5 years

(i) Depreciation rates derived from the above are not less than the rates prescribed under Schedule XIV of the Companies Act, 1956.

(ii) Depreciation on the amount capitalized on up-gradation of the existing assets is provided over the balance life of the original asset.

(iii) Depreciation on the amount capitalised till March 31, 2007 on account of foreign exchange fluctuations is provided over the balance life of the original asset.

2.6 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.7 Intangibles

All expenditure on intangible items are expensed as incurred unless it qualifies as an intangible asset as defined in Accounting Standard 26. The carrying value of intangible assets is assessed for recoverability by reference to the estimated future discounted net cash flows that are expected to be generated by the asset. Where this assessment indicates a deficit, the assets are written down to the market value or fair value as computed above.

2.8 Licence Fees

(i) Licence Entry Fee

The Licence Entry Fee has been recognised as an intangible asset and is amortised equally over the remainder of the licence period from the date of commencement of commercial operations. Licence entry fees includes interest on funding of licence entry fees, foreign exchange fluctuations on the loan taken upto the date of commencement of commercial operations.

The carrying value of license entry fees are assessed for recoverability by reference to the estimated future discounted net cash flows that are expected to be generated by the asset. Where this assessment indicates a deficit, the assets are written down to the market value or fair value as computed above.

(ii) Revenue Sharing Fee

Revenue Sharing Fee, currently computed at the prescribed rate of Adjusted Gross Revenue ('AGR') is expensed in the Statement of Profit and Loss in the year in which the related income from providing unified access services and Internet Services are recognised.

An additional revenue share towards spectrum charges is computed at the prescribed rate of the service revenue earned from the customers who are provided services through the CDMA and GSM technology. This is expensed in the Statement of Profit and Loss in the year in which the related income is recognised.

2.9 Goodwill

The excess of cost incurred for acquisition of "Handset Business" over net value of Asset and Liabilities has been treated as Goodwill

2.10 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and fair value and determined on an individual investment basis.

2.11 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.12 Revenue Recognition

(i) Revenue from unified access services are recognised on services rendered and is net of rebates, discounts and service tax. Unbilled revenues resulting from unified access services provided from the billing cycle date to the end of each month are estimated and recorded. Revenues from unified access services rendered through prepaid cards are recognised based on actual usage by the customers. Billings made but not expected to be collected, if any, are estimated by the management and not recognised as revenues in accordance with Accounting Standard on Revenue Recognition ('AS 9').

(ii) Revenue on account of internet services and revenue from infrastructure services are recognised as services are rendered, in accordance with the terms of the related contracts.

(iii) Revenue on account of Sale of Handsets is recognised on transfer of significant risk and rewards in respect of ownership

2.13 Interconnection Usage Revenue and Charges

The TRAI issued Interconnection Usage Charges Regulation 2003 ('IUC regime') effective May 1, 2003 and subsequently amended the same twice with effect from February 1, 2004 and February 1, 2005. Under the IUC regime, with the objective of sharing of call revenues across different operators involved in origination, transit and termination of every call, the Company pays interconnection charges (prescribed as Rs per minute of call time) for all outgoing calls originating in its network to other operators, depending on the termination point of the call i.e. mobile, fixed line, and distance i.e. local, national long distance and international long distance. The Company receives certain interconnection charges from other operators for all calls terminating in its network

Accordingly, interconnect revenue are recognised on those calls originating in another telecom operator network and terminating in the Company's network. Interconnect cost is recognised as charges incurred on termination of calls originating from the Company's network and terminating on the network of other telecom operators. The interconnect revenue and costs are recognised in the financial statement on a gross basis and included in service revenue and network operation expenditure, respectively.

2.14 Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year.

2.15 Borrowing Costs

Borrowing costs that are attributable to the acquisition and construction of a qualifying asset are capitalised as a part of the cost of the asset. Other borrowing costs are recognised as an expense in the year in which they are incurred

2.16 Employee Benefits

Effective April 1, 2007, the Company has adopted the Revised Accounting Standard - 15 'Employee Benefits'. The relevant policies are:

Short Term Employee Benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

Long Term Employee Benefits

Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognised and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

Leave Encashment

The Company has provided for the liability at period end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuation in accordance with Accounting Standard 15 (revised), "Employee Benefits " The Company makes annual contributions to the LIC for the Gratuity Plan in respect of employees. The present value of obligation under gratuity is determined based on actuarial valuation at period end using Project 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.

a) Short term compensated absences are provided for on based on estimates.

b) Actuarial gains and losses are recognised as and when incurred

2.17 Taxation

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

2.18 Operating Leases

Where the Company is the lessee

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

2.19 Earning Per Share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earning per share, the number of shares comprises the weighted average shares considered for deriving basic earning per share, and also the weighted average number of shares, if any which would have been used in the conversion of all dilutive potential equity shares. The number of shares and potentially dilutive equity shares are adjusted for the bonus shares and the sub-division of shares, if any.

2.20 Segment Reporting

Identification of segments:

The primary reporting of the Company has been performed on the basis of business segments. The analysis of geographical segments is based on the areas in which the Company's products are sold or services are rendered.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

The Corporate and other segment include general corporate income and expense items, which are not allocated to any business segment.

2.21 Cash & Cash Equivalents

Cash & cash equivalents in the Balance Sheet comprise cash in hand and at bank.

CONSOLIDATED QUADRANT TELEVENTURES LIMITED

NOTE 28 : NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(1) Commitments and contingent liabilities not provided for in respect of:

(a) The Company has certain income tax related matters pending with Income Tax Appellate Tribunal for the Assessment Year 2001-02 aggregating to Rs 7,004,687 as Principal amount and Interest amount of Rs. 7,354,921 (March 31, 2013 – Rs 7,004,687 as Principal amount and Interest amount of Rs 6,514,359).

(b) The Wireless Finance Division of Department of Telecommunications has claimed an outstanding of Rs 29,585,211 towards the Spectrum Charges dues from year 2001 to year 2005 vide their letter 1020/48/2005-WFD dated October 7, 2005. The Company has submitted its reply to the department on October 25, 2005 confirming the total due of Rs 29,472 only and paid the said amount. The Wireless Finance Division of Department of Telecommunications has subsequently claimed Rs 39,310,176 vide letter number 1020/48/2005-WFD dated September 13, 2006 towards the Spectrum Charges dues from year 2001 to year 2006. The Company has submitted a detailed reply on October 31, 2006. During the year ended March 31, 2008, out of the above demand, the Company has deposited Rs 1,801,241 under protest towards the interest due till August 31, 2006. Wireless Finance Division of Department of Telecommunications has updated their claim to Rs 70,604,092 towards Spectrum Charges dues from January 1, 2000 to September 30, 2008 vide letter number 1020/29/WR/07-08 dated October 24, 2008. The Company has once again made a written representation vide its letter dated December 8, 2008 and August 12, 2009. Subsequently DOT has revised their demand to Rs 70,528,239 vide Letter No 1020/48/WFD/2005-06/ Dated September 6, 2010 to which the Company has made representations vide letter dated September 23, 2010, February 3, 2011 and March 17, 2011. Subsequently DOT has revised their demand to Rs 149,960,749 vide Letter No 1020/48/WFD/2005-06/ Dated January 3, 2013 to which the Company has made representations vide letter dated January 18, 2013. The reply of which has not been received. Based on the legal opinion, the Company is confident that no liability would accrue regarding the same in future.

(c) During the year ended March 31, 2007, Bharat Sanchar Nigam Limited ('BSNL') has raised supplementary bill dated August 10, 2006 for Rs 167,614,241 towards Inter-connect Usage Charges ('IUC') and Access Deficit Charges ('ADC') for the period November 14, 2004 to August 31, 2005 on the Company. BSNL further raised invoices to the tune of Rs 99,346,533 on similar grounds for the period September 1, 2005 to February 28, 2006.These charges are on account of unilateral declaration of the Company's Fixed Wireless and Wire line Phone services as Limited Mobility Services by BSNL. The Company has submitted its reply to BSNL on August 23, 2006 asking for the calculation/basis for the additional amount raised towards IUC and ADC by BSNL for Rs 167,614,241. Subsequently, BSNL issued a disconnection notice on August 26, 2006 which required the payment of Rs 208,236,569 (including Rs 167,614,241). The Company has submitted details to BSNL for payments already made for Rs 40,622,328. The Company has approached Hon'ble TDSAT on the subject matter and a stay order was granted on Company's petition no 232 of 2006 against the disconnection notice on September 21, 2006. BSNL Jalandhar Office subsequently raised a supplementary bill dated March 20, 2007 for Rs 5,206,780, to which the Company has submitted its reply on March 23, 2007 intimating that the matter being sub-judice and pending decision by the Hon'ble TDSAT, no coercive action be taken against the Company. The hearing on the matter has been completed and the Hon'ble TDSAT has pronounced the judgment on May 21, 2010 in Company's favour and has directed that BSNL and the Company should exchange relevant information and reconcile the differences. In the absence of information from BSNL, the Company is not in a position to determine the liability with respect to this matter. The Company, based on expert legal opinion, believes that there would be no financial liability against such bills and accordingly, has not recorded any liability towards the IUC and ADC supplementary bills during the year ended March 31, 2014.

(d) The Company is in receipt of Show Cause Notice dated June 4, 2007 from Department of Telecommunications ('DoT') for non fulfilment of first year's roll-out obligations of Unified Access Service License ('UASL') Agreement for Punjab Service Area, where in the licensee as per the terms of the license agreement was required to ensure that at least 10% of the District Headquarter / Towns are covered in the first year of the date of migration to UASL which commences from the date of Test Certificate issued by Telecom Engineering Centre ('TEC'). As stated by DoT in the Show Cause Notice issued, the Company has violated the conditions of UASL and accordingly Liquidated Damages of Rs 70,000,000 has been imposed and DoT has also sought explanation within 21 days as to why they should not take action against the Company under the UASL Agreement to which the Company has replied on September 27, 2007 that the Company has not violated the conditions of UASL and based on expert legal advice, the Company believes that there would be no financial liability against such claims of DoT and accordingly, has not recorded any liability towards the Liquidated Damages during the year ended March 31, 2014.

(e) The Company is in receipt of a demand of Rs 433,158,340 from Bharat Sanchar Nigam Limited ('BSNL') on December 20, 2008 on account of unilateral revision of access charges vide its letter dated April 28, 2001 for the period from June 2001 to May 2003, in contravention of the Interconnect Agreement and TRAI Regulations. The Company, Association of Unified Service Providers of India 'AUSPI' (erstwhile Association of Basic Telephone Operators 'ABTO') and other Basic Service Operators contested aforesaid revision in the rates of access charges before Telecom Dispute Settlement Appellate Tribunal ('TDSAT'). TDSAT vide its reasoned and detailed judgement dated April 27, 2005 allowed the refund claims and struck down the unilateral revision in the rates of access charges by BSNL and held that Telecom Regulatory Authority of India ('TRAI') is the final authority for fixing of access charges and access charges would be payable as rates prescribed by the TRAI and as per the Interconnect agreements. BSNL preferred an appeal in Hon'ble Supreme Court against the order of TDSAT and an interim stay was granted on October 19, 2006 Therefore aggrieved by such unilateral action on the part of BSNL by raising aforesaid demand and disturbing the status-quo, applications were moved by the Company, AUSPI and other Operators in the Hon'ble Supreme Court vide C.A No.5834-5836 of 2005 that was listed for hearing on February 9, 2009 and Hon'ble Supreme Court passed an order clarifying its previous order of October 19, 2006 and stayed the refunds claim against the BSNL there by upholding the TDSAT order dated April 27, 2005 whereby BSNL is refrained from raising the access charges demand. The Company based on the legal opinion believes that there would be no financial liability against this demand and has accordingly not recorded any liability towards access charges during the year ended March 31, 2014.

(f) The Company is in receipt of demand of Rs. 7,000,000 from Department of Telecommunications ('DoT'), Licensing Group (Access Services) vide their letter dated October 21, 2009 for issuance of SIM cards on fake ID in Punjab Service Area, where in the Licensee was required to ensure adequate verification of each and every customer before enrolling him as a subscriber. The Company has replied to DoT vide letter dated November 14, 2009 that the levy of penalty imposed by DoT was based on verification done by an agency other than the DOT – TERM Cells and the exercise was carried out suo moto and in complete disregard of the established procedures and guidelines laid by DoT. Accordingly the Company has requested DoT to have this validation done by the DOT – TERM Cell. The Company believes that there would be no financial liability against this demand and has accordingly not recorded any liability towards penalty during the year ended March 31, 2014.

(g) As per The Telecommunication Interconnect Usage Charges Regulations 2003, had fixed intra circle carriage charges payable per minute for all intra circle calls irrespective of the distance between originating and terminating points. Bharat Sanchar Nigam Limited ('BSNL') was charging additional amounts based on distance for the period October 2007 to March 2009 which was against the telecommunication Interconnect Usage Charges Regulations 2003 of TRAI. The matter was raised to Hon'ble TDSAT by service providers to which Hon'ble TDSAT vide it's order dated May 21, 2010 upheld the demand of BSNL. The liability of the Company on basis of BSNL demand amounted to Rs 4,110,959. Subsequently TRAI appealed against the order of TDSAT in the Hon'ble Supreme Court. The matter is sub-judice and the final decision of the Hon'ble Supreme Court in the matter is still awaited.

(h) The Company is in receipt of a Show Cause Notice amounting to Rs 1,020,00,000 dated May 17, 2013 from Department of Telecommunications ('DOT') purportedly for the alleged non-compliance of the Electro Magnetic Frequency Radiation Norms ('EMF Radiation Norms') prescribed by DOT in terms of DoT Circular dated 11.10.2012. The Company on May 21, 2013 has represented to DOT that the Company is not only 'fully compliant' with the specified limits of the EMF Radiation Norms but that the Company has also duly submitted the 'Self Certifications' in respect of all the 204 Base Transceiver Stations ('BTSs') set up in the Punjab Telecom Circle as mentioned in the Show Cause Notice well - within the stipulated last date of March 31, 2011 as prescribed by DOT. Further, since the company's representation was rejected by the DoT, the Company has filed a Petition before the Hon'ble TDSAT vide Petion No. 294 of 2013 which has been duly admitted by the Hon'ble TDSAT and interim protection granted to the company against any coercive action/steps by DoT under the EMF Norms. DoT has also filed its reply in the matter on December 6, 2013 and currently the matter is sub-judice and the final decision of the Hon'ble TDSAT is awaited. The matter has been clubbed for being heard together with the similar Petition No. 271 which has been filed by the COAI on behalf of the members on issues pertaining to EMF norms.

The Company is hopeful that no liability would arise on account of the demand received by the company from DoT or the TERM Cell in this regard and that the same would be set aside by the Hon'ble TDSAT.

However, the DOT (TERM Cell) Punjab has issued another Show Cause Notice to the company making a demand for Rs. 3,23,500,000 DOT vide letter number 8-8/EMR-QTL/TERM-PB/2013/15C dated December 30, 2013, wherein the TERM Cell, Punjab has imposed a penalty for alleged non compliance of Emission Magnetic Frequency ('EMF') radiation norms with respect to 647 Base Transreceiver Stations ('BTSs') as per list attached with the said letter, in terms of the Unified Access Services ('UAS') License granted to the company. The Company has since submitted its response to the TERM Cell vide letter dated January 8, 2014, wherein the Company clearly stated that it has duly complied with all the obligations under the UAS License, including the compliance with various guidelines issued by DOT from time to time. We are waiting for the reply from DOT (TERM-Cell)/Punjab

(i) The Company is in receipt of a Show Cause Notice for assessment of annual licence fees from Department of Telecommunications ('DOT') purportedly for disallowance of deductions claimed in audited AGR for the year 2007-08 amounting to Rs 70,870,158 vide letter no. 17-89/2013/LF-II-HFCL dated September 23, 2013, for the year 2008-09 amounting to Rs 43,355,118 vide letter no. 17-90/2013/LF-II-HFCL dated September 24, 2013, for the year 2009-10 amounting to Rs 33,397,359 vide letter no. 17-91/2013/LF-II-HFCL dated September 24, 2013, for the year 2010-11 amounting to Rs 12,713,140 vide letter no. 17-92/2013/LF-II-HFCL dated September 26, 2013. The Company has made a written representations for the year 2007-08 vide its letter no QTL/Reg/06-11/08 dated November 29, 2013, for the year 2008-09 vide its letter no QTL/Reg/06-11/07 dated November 20, 2013, for the year 2009-10 vide its letter no QTL/Reg/06-11/06 dated November 08, 2013, for the year 2010-11 vide its letter no QTL/Reg/06-11/03 dated October 30, 2013. The Company is confident that no liability would accrue regarding the same in future.

(2) Managerial remuneration

Remuneration paid to Key Managerial Persons (KMPs) is as under:

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Salary	1,527,600	1,527,600
Employer's contribution to provident fund	183,312	183,312
Perquisites/ Allowances	2,581,836	2,006,937
Ex-gratia/ Performance linked incentive	312,714	1,333,161
Total	4,605,462	5,051,010

The above managerial remuneration does not include provision of gratuity of Rs 479,795 (March 31, 2013 – Rs 412,123) and leave encashment of Rs 649,554 (March 31, 2013 – Rs 607,379)as these provisions are computed on the basis of an actuarial valuation done for the Company and are provided in the financials.

Value of perquisites and other allowances has been determined in accordance with the provision of the Income-tax Act, 1961.

(3) Share Capital

(a) As of date, the entire paid up Equity Share Capital of the company comprising of 612,260,268 equity shares of Rs 10 each, stands listed on the Bombay Stock Exchange (BSE) Consequent upon the issuance of 86,743,116 equity shares allotted pursuant to the conversion of 7,551,178 OFCDs along with interest accrued thereon to the Financial Institution /Banks on July 8, 2009, the non-promoter shareholding in the Company increased from 38.02% to 46.80%, and the Promoters' Shareholding decreased from 61.97% to 53.19%, whereupon the Company requested BSE to grant listing of unlisted shares without insisting upon the stipulation of the condition for 'Offer for Sale. BSE, vide its letter DCS / AMAL / RCG/ GEN / 1108 / 2008-09 dated February 13, 2009, inter-alia, agreed to exempt the condition imposed on the Company to comply with requirement of making an offer for sale in the domestic market, subject to compliance of certain procedural requirements including 'three years lock-in' period of 25% of equity shares that had been issued pursuant to the merger on June 17, 2003 i.e. 25% of 432,000,250 shares (108,000,063 equity shares). The Company had - in compliance with the conditions stipulated by BSE - placed under lock-in 108,000,063 equity shares on May 14, 2009 for a period of 3 years ending May 15, 2012. The Company has also complied with all other necessary requirements pursuant to the letter from BSE dated February 13, 2009 related to 83,070,088 equity shares issued pursuant to corporate debt restructuring scheme. BSE had also agreed to grant in-principle approval for allotment of 86,743,116 equity shares to be issued to Banks and financial institutions on conversion upon filing of necessary listing application, which the Company has filed, vide its letter no. HITL/S&L/S-01/09/472 and 473 dated March 07, 2009. Consequently, vide their notice 20090514-12 dated May 14, 2009 hosted on it's website BSE had granted Listing and Trading permission in respect of the 432,000,250 equity shares issued pursuant to scheme of amalgamation. BSE had also granted Listing approval in respect of the 83,070,088 equity shares allotted as aforesaid vide their letter number DCS/PREF/DMN/FIP/239/09-10 dated May 25, 2009 and the shares were Listed by BSE vide its notice number 20090605-20 dated June 5, 2009.

(b) Out of the total paid up equity share capital comprising of 612,260,268 equity shares of Rs 10 each, 86,743,116 equity shares of Rs.10/- each (allotted on July 08, 2009, after obtaining in principle approval from the BSE and MSE. upon the conversion of Optionally Fully Convertible Debentures (OFCDs) allotted pursuant to the Corporate Debt Restructuring (CDR Cell) Consequently, the Listing approval in respect of these shares was granted by Bombay Stock Exchange (BSE) vide its letter number 20090813-08 dated August 13, 2009 w.e.f. August 14, 2009 and by the Madras Stock Exchange Limited vide its letter no.MSE/LD/PSK/738/215/09 dated September 01, 2009 w.e.f. September 01, 2009.

Out of the total paid up equity share capital comprising of 612,260,268 equity shares of Rs 10 each, 326,705,000 equity shares of Rs.10/- each representing 53.3604% of the total Paid up share capital of the Company – which were earlier held by Himachal Futuristic Communications Limited – the erstwhile promoter or Holding Company), were acquired by M/s Quadrant Enterprises Private Limited on 03rd April, 2010 in compliance with the SEBI Exemption Order in pursuance of the proposal for settlement / change of management of the Company approved under the New Restructuring Scheme as approved by the Corporate Debt Restructuring Cell (CDR Cell) on August 13, 2009.

(c) Pursuant to the Company's application in this regard, for Voluntary Delisting pursuant to the provisions of regulation 6(a) and 7(1) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009, the Madras Stock Exchange (MSE), MSE has vide its letter dated March 15, 2011, accepted and accorded its consent to the Voluntary Delisting of the Company's shares vide its letter No. MSE/LD/PSK/731/109/11 dated 15th March, 2011 accepting the Voluntary delisting of the company's equity shares from the MSE.

(d) Pursuant to the stipulation of CDR package dated August 13, 2009 with respect to Reduction of Issued, Subscribed & Paid up Equity Share Capital wherein the face value of the Paid Up Equity Shares would be reduced to Re. 1 per equity share from the existing face value of Rs. 10 per equity share, i.e. reduction in face value of Issued, Subscribed & Paid up Equity Share Capital by 90%. The Company had obtained the approval of shareholders for Reduction of Equity Share Capital in the Extra Ordinary General Meeting held on July 18, 2012, subject to confirmation by Bombay Stock Exchange 'BSE' and the Hon'ble Bombay High Court. Subsequently, BSE vide its letter number DCS/AMAL/RT/24(f)/295/2013-14 dated October 23, 2013 conveyed it's No Objection Certificate 'NOC' to file the scheme for Reduction of Equity Share Capital with the Hon'ble Bombay High Court. Accordingly, the Company has filed the Reduction of Equity Share Capital Petition with Hon'ble Bombay High Court on March 20, 2014. The matter is under consideration of the Hon'ble Bombay High Court.

(4) Secured Loans

(a) As per the CDR Scheme approved on March 10, 2004 and subsequently approved on June 4, 2005, the Lenders have signed Master Restructuring Agreement ('MRA') for restructuring of their Debts and Security Trusteeship Agreement, whereby the Lenders have entered into an agreement and appointed IDBI Trusteeship Services Limited (herein after referred as "ITSL") as their custodian of security. On November 11, 2005, the charges were registered in favour of the ITSL for Rupee Term Loans, for providing Specific Credit Facility, for Working Capital Assistance and Zero percent Secured OFCDs. The same are secured by first pari passu charge on immovable properties of the Company situated at Kandivali (East), Mumbai and properties situated at Mohali & Jalandhar under equitable mortgage, first pari passu charge of hypothecation of movable properties of the Company including movable plant & machinery, machinery spares, tools & accessories and other movables including book debts by way of hypothecation, both present and future. Further, the same are also secured by assignment of all rights, title, benefits, claims and interest in, under the project documents, insurance policies, all statutory, government and regulatory approvals, permissions, exemptions and waivers on pari passu basis. Subsequently, pursuant to the reworked restructuring scheme approved under CDR mechanism on June 24, 2005, the Company has entered into amendatory Master Restructuring Agreement and amendatory Security Trusteeship Agreement ('STA') on March 9, 2006, whereby Centurion Bank of Punjab has also joined as one of the lenders and has agreed to appoint ITSL as their custodian for security and signed the STA in line with other lenders in consortium.

On the request of the Company, Corporate Debt Restructuring Cell ('CDR') vide their letter no CDR (JCP) No 138 / 2009-10 ('CDR Letter') dated May 20, 2009 has approved the interim revised restructuring package. The revised restructuring package inter alia includes funding of interest from July 1, 2008 to October 31, 2009 on simple interest basis. Funded Interest on Term Loan ('FITL') would not carry any interest and the FITL shall be repaid in 16 equal monthly installments commencing from December 1, 2009, and has rescheduled the principle installments from August 1, 2008 to November 1, 2009 so as to be repayable from December 1, 2009 to March 1, 2011. Corporate Debt Restructuring ('CDR') cell vide their letter no CDR (JCP) No 563 / 2009-10 dated August 13, 2009 has approved a new restructuring scheme, which includes the induction of strategic investor / change of management and settlement proposal for Term Lenders. All the term lenders have given their acceptance to the new restructuring scheme. The new restructuring scheme has been made effective from April 1, 2009 and accordingly an amount of Rs 373,097,077 towards FITL from July 1, 2008 to March 31, 2009 has been considered as term loan.

In pursuant to the new restructuring scheme vide letter no. CDR (JCP) No 563 / 2009-10 dated August 13, 2009, The Company had allotted 15,984,543, 2 % Cumulative Redeemable Preference Shares of Rs.100 each aggregating to Rs.1,598,454,300 on November 9, 2010, to Financial Institution / Banks in conversion of 25% of their outstanding loans as on April 01, 2009.

In compliance with the aforesaid new restructuring scheme dated August 13, 2009 the Company had repaid on July 06, 2010 and July 07, 2010 an amount of Rs 1,598,454,522 being 25% of their outstanding loans as on April 01, 2009

In compliance with the aforesaid new restructuring scheme dated August 13, 2009, the Company had allotted 31,969,088 Redeemable Secured Non Convertible Debenture ('NCD') of Rs.100 each aggregating to Rs.3,196,908,800 on January 21,2013, to Financial Institution / Banks in conversion of 50% of their outstanding loans as on April 01, 2009.

The Company has compiled the most of the terms and conditions of Corporate Debt Restructuring Scheme as approved by the CDR Cell letter dated August 13,2009 and the Company is in process of Reduction of Equity Share Capital as referred to note 27 (7) (d)

(b) The above mentioned security has been further extended to the amount of secured loans and working capital assistance, together with the interest, compound interest, additional interest, default interest, costs, charges, expenses and any other monies payable by the Company in relation thereto and in terms with MRA and STA entered into between the lenders and ITSL.

(5) Unsecured Loans

(a) On October 16, 2004, the Company issued 1,667,761 zero percent Non Convertible Debentures ('NCDs') of Rs 100 each in lieu of interest accrued on term loans from a financial institution and a bank for the period April 1, 2003 to December 31, 2003. The NCDs earlier redeemable at par on March 31, 2014, are now redeemable at par on March 31, 2016 after repayment of the term loans as per reworked restructuring scheme effective from April 1, 2005.

(b) The Company under the terms of the agreement dated May 1, 2007 had taken convertible loan to facilitate expansion and development of businesses amounting to Rs 499,499,886 from Infotel Digicomm Private Limited. The convertible loan was repayable on demand with an option to convert the Loan into Equity Shares, subject to getting necessary approvals and subject to applicable pricing guidelines as per SEBI and other laws and regulations. On September 16, 2009 Infotel Digicomm Private Limited ('IDPL') had entered into an assignment agreement with Domebell Electronics India Private Limited ('DEIPL'), wherein IDPL had assigned the above convertible loan of Rs 499,499,886 to DEIPL. All the terms and conditions relating to the convertible loan remained the same. The interest accrues at the end of each quarter. During the year ended March 31, 2010 the Company has provided for interest amounting to Rs 14,984,997 @ 12% to IDIPL for the three months ended June 30, 2009. DEIPL on the basis of the assignment agreement dated September 16, 2009 has a right on the interest accruing from July 1, 2009 onwards. DEIPL have agreed to waive off the interest from July 1, 2009 till March 31, 2014, therefore no provision for such interest has been made by the Company. Consequent to the addendum to the assignment agreement, the convertible loan from DEIPL is now repayable after 7 years from the date of assignment agreement dated September 16, 2009.

(c) The Company under the terms of the agreement dated May 1, 2007 had taken buyer's credit facility to facilitate funding of the telecom project amounting to Rs 410,740,832 from Infotel Business Solutions Limited. The loan carries 12% interest and was repayable on demand. Infotel Business Solutions Limited had the option to convert the loan including interest accrued into equity shares, subject to applicable pricing guidelines as per SEBI and other laws and regulations. On September 16, 2009 Infotel Business Solutions Limited ('IBSL') has entered into an assignment agreement with Domebell Electronics India Private Limited ('DEIPL'), wherein IBSL has assigned the above buyer's credit facility of Rs 410,700,000 to DEIPL. All the terms and conditions relating to the buyer's credit facility remained the same. The interest accrues at the end of each quarter. During the year ended March 31, 2010 the Company has provided for interest amounting to Rs 12,322,225 @ 12% to IBSL for the three months ended June 30, 2009. and accordingly DEIPL on the basis of the assignment agreement dated September 16, 2009 has a right on the interest accruing from July 1, 2009 onwards DEIPL has agreed to waive off the interest from July 1, 2009 till March 31, 2014, therefore no provision for such interest has been made by the Company. Consequent to the addendum to the assignment agreement, the convertible loan from DEIPL is now repayable after 7 years from the date of assignment agreement dated September 16, 2009.

(d) The Company had taken an unsecured loan on July 06, 2010 of Rs.1,598,500,000 @ 8% per annum, the interest accrues at the end of each quarter. The lender has agreed to waive off the interest from July 06, 2010 to March 31, 2014, therefore no provision for said interest has been made by the Company. The aforesaid unsecured loan is repayable on demand after 7 years from the commencement of the unsecured loan.

(6) Fixed Assets and Capital work-in-progress

(a) Capital Work in Progress includes Goods in Transit of Rs. Nil (March 31, 2013 Rs Nil)

(b) As on March 31,2014, telephone instruments aggregating to a net book value of Rs 109,135,698 (March 31, 2013 – Rs 79,675,183) and other assets aggregating to net book value of Rs 1,018,995,267 (March 31, 2013 – Rs 1,029,215,214) are located at customer premises, other parties and at other operator's sites, respectively.

(7) Inventory for Network Maintenance

The Company holds inventory of network maintenance consumables and RUIM cards amounting to Rs 22,365,439 (March 31, 2013 – Rs 17,755,836). The quantity and valuation of inventory is taken as verified, valued and certified by the management.

(8) Goodwill

Infotel Tower Infrastructure Private Limited has entered into agreement dated March 31, 2009 for acquiring "the Handset Business" from M/s Infotel Business Solutions Limited for consideration amounting to Rs. 40,836,098. The value of acquired inventory of handsets is Rs 9,732,480 and fixed assets is Rs 350,709 and taken over net current liabilities amounting to Rs. 476,663. The excess of consideration over net value of Assets and Liabilities amounting to Rs. 31,229,573 has been recognized as Goodwill and disclosed as intangible assets in the Balance Sheet. Goodwill would be amortized over the period of 5 years on straight-line method starting from April 1, 2009.

(9) Deferred Taxes

During the year, the Group has incurred losses of Rs 2,616,931,364 (accumulated losses of Rs 19,422,454,292) resulting into a tax loss carry forward situation. The Company is eligible for a tax holiday under section 80IA of the Income-tax Act, 1961. Though the management is confident of generating profits in the future, there is currently no convincing evidence of virtual certainty that the Company would reverse the tax loss carry forwards beyond the tax holiday period. Accordingly, the Company has not recognized any deferred tax assets resulting from the carry forward tax losses. Further, no deferred tax liabilities on account of temporary timing differences have been recognized since they are expected to reverse in the tax holiday period.

Deferred Tax in the ITIPL Tax has been provided for in accordance with the Accounting Standard 22 - Accounting for taxes on Income issued by the Institute of Chartered Accountants of India. Net deferred tax assets amounting to Rs. 3,772,637/- as on 31st March, 2014 comprises of the followings:

Particulars	As at 31.03.2014	Charge/(Credit) during the year	As at 31.03.2013
Deferred Tax Assets/(Liability)			
Provision for Gratuity	686,040	307,921	378,120
Provision for Leave encashment	822,003	167,250	654,754
Depreciation/Amortization	2,265,940	1,170,122	1,095,818
Preliminary Expenses	(1347)	-	(1347)
Net Deferred Tax (Liability)/ Asset	**3,772,637**	**1,645,293**	**2,127,344**

(10) Trade Payables include amount payable to Micro and Small Enterprises as at March 31, 2014 of Rs 337,208 (March 31, 2013 – Rs 816,620). The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information and records available with the Company.

Information for the supplier covered under the Micro, Small and Medium Enterprise Development Act, 2006, as at March 31, 2014 is as under –

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Principal amount	337,208	816,620
Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each account year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small & Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year.	-	-

(11) The Company had received advance of Rs 6,846,046,047 (March 31, 2013 Rs. 4,955,927,643) to fund the entry fee for using GSM Technology under the existing Unified Access Services License (UASL) and business operations for Punjab Service Area. The same is included in Other Current Liabilities. No interest is payable on the said advance.

(12) Earning Per Share

The calculation of earning per share is based on the loss for the year and number of shares is shown below.

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Loss for the year (in Rs)	2,616,931,364	1,361,949,865
Weighted average number of equity shares	612,260,268	612,260,268
Nominal value per equity share (in Rs)	10	10
Earning per share – basic and diluted (in Rs)	(4.27)	(2.22)

(13) Operating leases

A. Company as a Lessee

(a) The Company has entered into various cancelable lease agreements for leased premises. Gross rental expenses for the year ended March 31, 2014 is Rs 74,465,642 (March 31, 2013 – Rs 67,334,772).

(b) The Company has entered into site sharing agreements with other operators for sharing of their infrastructure sites. During the year, the Company has incurred Rs 540,809,201 (March 31, 2013 – Rs 452,541,058) towards infrastructure sharing expenses.

Further lease payments under non-cancellable operating leases are as follows:-

Particulars	As at 31.03.2014	As at 31.03.2013
Payable not later than one year	571,453,695	514,044,850
Payable later than one year and not later than five years	1,010,592,051	1,200,895,000
Payable more than five years	152,437,755	95,679,309
Total	**1,734,483,501**	**1,810,619,159**

The escalation clause includes escalation at various periodic levels ranging from 0 to 50%, includes option of renewal from 1 to 99 years and there are no restrictions imposed on lease arrangements.

B. Company as a Lessor

The Company has entered into cancellable site sharing agreements with other operators for sharing of its infrastructure sites. During the year, the Company has accrued Rs 13,299,070 (March 31, 2013– Rs 9,710,199) towards site sharing revenue.

The Company has entered into a non-cancellable lease arrangement to provide approximately 8,357.42 Fiber pair kilometers of dark fiber on indefeasible right of use (IRU) basis for a period of 15 years. The gross block, accumulated depreciation and depreciation expense of the assets given on IRU basis is not readily determinable and hence not disclosed. In respect of such leases, rental income of Rs 51,380,540(March 31, 2013– Rs 48,304,476) has been recognized in the Statement of Profit and Loss for the period ended March 31, 2014.

Further lease receipts (under non-cancellable operating leases) will be recognized in the Statement of Profit and Loss of subsequent years as follows:-

Particulars	As at 31.03.2014	As at 31.03.2013
Receivable not later than one year	38,806,906	38,806,906
Receivable later than one year and not later than five years	155,227,625	155,227,625
Receivable later than five years	83,952,771	122,759,678
Total	**277,987,303**	**316,794,209**

(14) Segmental Reporting

The primary reporting of the Company has been performed on the basis of business segments. The Company has only one business segment, which is provision of unified telephony services. Accordingly, the amounts appearing in these financial statements relate to this primary business segment. Further, the Company provides services only in the State of Punjab (including Chandigarh and Panchkula) and, accordingly, no disclosures are required under secondary segment reporting.

(15) Related Party Disclosures

As required under Accounting Standard 18 on "Related Party Disclosures", the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a) Name of Related Parties and its relationship:

Name	Relationship
Quadrant Enterprises Pvt. Ltd	Holding Company
Infotel Tower Infrastructure Private Ltd	100% Wholly Owned Subsidiary
Mr. Kapil Bhalla (Company Secretary & Manager under Section 269 of Companies Act, 1956)	Key Managerial Persons (KMPs)
Mr. Sunil Jit Singh (Chief Financial Officer)	Key Managerial Persons (KMPs)

b) Transactions / Outstanding balances with Related Parties.

Particulars	2013-14 KMP	2012-13 KMP
Sale of Material	--	--
Debit notes raised by us	--	--
Debit note raised on us	--	--
Purchase of Services	--	--
Remuneration paid**	4,605,462	5,051,010
Payment made by Company	4,605,462	5,051,010
Closing Balance as at Balance Sheet date		
Amount receivable	--	--

** Managerial remuneration paid to key management personnel include Rs 3,017,365 (March 31,2013 – Rs 3,332,559) paid to Chief Financial Officer and Rs 1,588,097 (March 31, 2013 – Rs 1,718,451) paid to Manager under Companies Act 1956.

(16) Unclaimed deposits from public

During the year ended March 31, 2004, the Company surrendered its licence granted by Reserve Bank of India ('RBI') to carry out NBFC business. Accordingly, the Company foreclosed all the unpaid / unclaimed deposits as on September 15, 2003 and the interest accruing thereon as on that date, and the same have been transferred to the Escrow Account in February 2004. On August 10, 2004, the Company has obtained the approval of the shareholders for the removal of NBFC related objects from the Memorandum of Association. Further, the Company submitted a letter dated July 7, 2004 for compliance and RBI vide its letter dated July 30, 2004 gave some concessions from compliance and has advised the Company to follow certain instructions till the balance in the escrow account is settled.

The accompanying financial statements include the following account balances relating to the NBFC business whose licence granted by RBI was surrendered during the year ended March 31, 2004:

Interest accrued and due on deposits transferred to Investor Education and Protection Fund	Rs 543,480
Cheques outstanding beyond 6 months	Rs 523,618
Others (Under reconciliation)	Rs 18,961
	Rs 1,086,059
Balance with Scheduled banks in Escrow account	Rs 1,086,059

(17) Debenture redemption reserve

Pursuant to the CDR scheme on October 16, 2004, the Company had issued unsecured Zero% Non Convertible Debenture ('NCD') (Erstwhile OFCDs) aggregating to Rs 166,776,100 repayable as on March 31, 2016. Pursuant to the new restructuring scheme dated August 13,2009 the Company has to allot secured Non Convertible Debenture ('NCD') for Rs 3,196,909,043 to Financial institution and Banks equivalent to 50% of their outstanding loans as on April 01,2009 which shall be issued on completion of such approvals and conditions precedent. As per section 117C (1) of the Companies Act, 1956, a debenture redemption reserve ('DRR') is to be created to which adequate amounts are to be credited out of the profits of each year until such debentures are redeemed.

During the year ended March 31, 2014, the Company has incurred loss of Rs 2,611,608,163. Hence, in accordance with the clarification received from the Department of

Company Affairs vide circular No 6/3/2001-CL.V dated April 18, 2002, the Company has not created Debenture redemption reserve.

(18) Employee Benefits

(a) During the year, the Company has recognized the following amounts in the Statement of Profit and Loss

Defined Contribution Plans

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Employer's Contribution to Provident Fund *	27,360,897	19,519,326
Employer's Contribution to ESI *	69,93,499	4,313,881

* Included in Employer's Contribution to Provident and Other Funds, Refer Note 21.

Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India and ICICI Lombard General Insurance Company Limited is a defined benefit plan and the same is 100% funded. The present value of obligation is determined based on actuarial valuation using Project 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 leave encashment is recognised in the same manner as gratuity.

Experience adjustments are Nil and have not been disclosed as required under para 120 of Accounting Standard 15 relating to Employee benefits.

	2013-14		2012-13	
Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	5,155,823	5,328,021	4,138,219	7,367,751
Interest cost	1,981,462	2,309,684	1,590,650	1,863,850
Expected Return on plan assets	(75,223)	-	(103,672)	-
Actuarial (gain) / loss	(941,026)	(1,026,799)	(144,358)	(3,357,832)
Past service cost	-	-	-	-
Curtailment and Settlement cost / (credit)	-	-	-	-
Net cost	**6,121,036**	**6,610,906**	**5,480,839**	**5,873,769**

The Company expects to contribute Rs. 10,600,000 towards employers' contribution for funded defined benefit plans in 2014-15.

(b) The assumptions used to determine the benefit obligations are as follows:

	2013-14		2012-13	
Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate	9.00%	8.00%	8.00%	8.00%
Expected Rate of increase in Compensation levels	7.00%	6.00%	6.00%	6.00%
Expected Rate of Return on Plan Assets - the company	8.00%	8.00%	8.00%	8.00%
Expected Rate of Return on Plan Assets - the subsidiary	NA	NA	NA	NA
Expected Average remaining working lives of employees (years) - the Company	7.93 Years	7.95 Years	7.95 Years	7.95 Years
Expected Average remaining working lives of employees (years) - the Subsidiary	8.52 Years	8.52 Years	8.52 Years	8.52 Years

(c) Reconciliation of opening and closing balances of benefit obligations and plan assets

Particulars	2103-14		2012-13	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Change in Projected Benefit Obligation (PBO)				
Projected benefit obligation at beginning of year	22,231,499	25,626,626	18,660,982	21,981,636
Current service cost	5,155,823	5,328,021	4,138,219	7,367,751
Interest cost	1,981,462	2,309,684	1,590,650	1,863,850
Benefits paid	(2,306,817)	(1,801,254)	(2,026,733)	(2,228,779)
Past service cost	-	(147,051)	-	-
Actuarial (gain) / loss	(928,013)	(1,026,799)	(131,619)	(3,357,832)
Projected benefit obligation at year end	**26,133,954**	**30,289,227**	**22,231,499**	**23,648,762**
Change in plan assets :				
Fair value of plan assets at beginning of year	574,925	-	2,466,757	-
Expected return on plan assets	75,223	-	103,672	-
Actuarial gain / (loss)	13,013	-	12,739	-
Employer contribution	-	-	-	-
Contribution by plan participants	2,500,000	-	-	-
Settlement cost	-	-	-	-
Benefits paid	(2,306,817)	-	(2,008,243)	-
Fair value of plan assets at year end	**856,344**	**-**	**574,925**	**-**
Net funded status of the plan	**(25,277,610)**	**(30,289,227)**	**(21,656,574)**	**(25,626,626)**
Net amount recognized	**(25,277,610)**	**(30,289,227)**	**(21,656,574)**	**(25,626,626)**

Particulars	2013-14		2012-13	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair value of plan assets :				
Fair value of plan assets at beginning of year	574,925	-	2,466,757	-
Actual return on plan assets	88,236	-	116,411	-
Employer contribution	2,500,000	-	-	-
Contribution by plan participants	-	-	-	-
Settlement cost	-	-	-	-
Benefits paid	(2,306,817)	-	(2,008,243)	-
Fair value of plan assets at year end	**856,344**	**-**	**574,925**	**-**

d) The expected rate of return on plan assets was based on the average long-term rate of return expected to prevail over the next 15 to 20 years on the investments made by the LIC. This was based on the historical returns suitably adjusted for movements in long-term government bond interest rates. The discount rate is based on the average yield on government bonds of 20 years.

e) The Company made annual contributions to the LIC of an amount advised by the LIC. The Company was not informed by LIC of the investments made by the LIC or the break-down of plan assets by investment type.

f) The estimates of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including demand and supply in the employment market. The above information is certified by the actuary.

g) The disclosure requirement as per para 120 (n) of Accounting Standard – 15 `Employee Benefits' as below:

Particulars	Gratuity			Leave Encashment		
	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12
Defined benefit obligation	26,133,954	22,231,499	20,190,873	50,893,071	42,733,023	21,834,585
Plan assets	856,344	574,925	2,466,757	-	-	-
Surplus / (deficit)	(25,277,610)	(21,656,574)	(17,724,116)	(50,893,071)	(42,733,023)	(21,834,585)
Experience adjustments on plan liabilities	-	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-	-

(19) "The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011, respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements."

(20) Previous year's figures have been regrouped and reclassified wherever necessary and the figures have been rounded off to the nearest rupee.

As Per our report of even date

For Khandelwal Jain & Co.
Chartered Accountants
Firm registration number: 105049W

Naveen Jain
Partner
Membership No. 511596

For and on behalf of the Board of Directors

Yatinder Vir Singh
Director

Babu Mohanlal Panchal
Director

Sunil Jit Singh
Chief Financial Officer

Kapil Bhalla
Company Secretary & Manager

Place : Mohali
Date: May 30, 2014

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956

(Figures in INR)

Name of Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investment	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed Dividend
Infotel Tower Infrastructure Private Limited	100,000	(25,427,088)	37,519,361	37,519,361	-	181,009,213	(6,968,494)	1,645,293	(5,323,201)	Nil

NOTES

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

QUADRANT TELEVENTURES LIMITED

CIN: L00000MH1946PLC197474
Regd. Office: Autocars Compound, Adalat Road, Aurangabad – 431005 (Maharashtra)
Phone No. 91-240-2320754, E-mail: secretarial@infotelconnect.com, Website: www.connectzone.in

67TH Annual General Meeting - 30th September, 2014

Name of the Member(s)	
Registered address	
Email ID	
Folio No. / Client ID	
DP ID	

I/We, being the Member(s) of ………………………………………………………………… shares of the above named company, hereby appoint

Name : ……………………………………………………………………………… Email ID : ………………………………………………………

Address : ……

……………………………………………………………………………………………………Signature: ………………………………………………………

Or failing him/her

Name : ……………………………………………………………………………… Email ID : ………………………………………………………

Address : ……

……………………………………………………………………………………………………Signature: ………………………………………………………

Or failing him/her

Name : ……………………………………………………………………………… Email ID : ………………………………………………………

Address : ……

……………………………………………………………………………………………………Signature: ………………………………………………………

(contd…….)

As my/our proxy attend and vote (on a poll) for me /us and on my/our behalf at the 67th Annual General Meeting of the Company scheduled to be held on Tuesday, September 30, 2014 at 12.00 noon at the Registered Office of the Company at Autocars Compound, Adalat Road, Aurangabad – 431 005 Maharashtra at any adjournments thereof in respect of such resolution as are indicated below:

Resolution Number	**Resolution**
Ordinary Business	
1.	Adoption of Audited Financial Statement of the Company including Balance Sheet as at March 31, 2014, Statement of Profit and Loss, Cash Flow Statement for the year ended on that date along with the Reports of the Board of Directors and the Auditors thereon.
2.	Re-appointment of Statutory Auditors and to fix their remuneration
Special Business	
3.	Appointment of Ms. Mitu Mehrotra Goel, as a Director
4.	Appointment of Mr. Rahul Amarnath Sethi as an Independent Director
5.	Appointment of Mr. Babu Mohanlal Panchal as an Independent Director
6.	Approval of remuneration to be paid to M/s Sanjay Gupta and Associates, Cost Accountants, as Cost Auditors of the Company.
7.	Re-appointment of Mr. Kapil Bhalla as Manager under Section 196 of the Companies Act 2013.
8.	Approval of transaction with Related Party under Section 188 of the Companies Act, 2013.
9.	To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

Signed this…………………………….. day of 2014

Affix
Revenue
Stamp
Re. 1

…………………………………
Signature Of the shareholder

…...……………………………
Signature Of the 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.

ATTENDANCE SLIP

QUADRANT TELEVENTURES LIMITED

CIN: L00000MH1946PLC197474
Regd. Office: Autocars Compound, Adalat Road, Aurangabad – 431005 (Maharashtra)
Phone No. 91-240-2320754, E-mail: secretarial@infotelconnect.com, Website: www.connectzone.in

67TH Annual General Meeting - 30th September, 2014

Regd.Folio No. / Client ID No																				
DP ID No.																				
No of shares held																				

I certify that I am a registered shareholder /proxy for the registered Shareholder of the Company.

I hereby record my presence at the **67th Annual General Meeting** of the Company held on **Tuesday, September 30, 2014 at 12.00 noon** at the Registered Office of the Company at Autocars Compound, Adalat Road, Aurangabad – 431005 Maharashtra.

--- --

Member's/proxy's Name in Block Letters *Member's/Proxy signature*

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL

Registered Post / Speed Post / Courier

To

If undelivered, please return to:-

Quadrant Televentures Limited
Regd. Office : Autocars Compound, Adalat Road, Aurangabad - 431005, Maharashtra

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