



HFCL INFOTEL LIMITED

Regd. Office: 28, Khan Manzil, Calicut Street, Opposite Fort Market, Fort, Mumbai - 400 001.

POSTAL BALLOT NOTICE

(Pursuant to provisions of Section 192A of the Companies Act, 1956)

Dear Shareholder(s),

The Board of Directors of your Company has recommended the proposal to transact the following special business by postal ballot, in terms of the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as amended from time to time:

1. Change of name of the Company from "HFCL Infotel Limited" to "Quadrant Televentures Limited".
2. Alteration of Clause V of the Memorandum of Association by way of re-classification of the existing authorised share capital.
3. Alteration of Clause 5(a) of the Articles of Association consequent to alteration of authorised share capital clause.
4. Issue of Cumulative Redeemable Preference Shares.
5. Issue of Secured Non Convertible Debentures.
6. Creation of charge under section 293(1)(a) of the Companies Act, 1956 securing the Non-Convertible Debentures.
7. Shifting of Registered Office of the Company from Mumbai to Aurangabad.

In terms of the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, consent of the shareholders, by way of Postal Ballot, is required for creation of charge under Section 293(1)(a) of the Companies Act, 1956 and shifting of registered office from Mumbai to Aurangabad. The Board of Directors of the Company, however, thought it appropriate to transact the other business(es) also vide postal ballot, even though the same are not mandatory.

In terms of the provisions of Rule 5(b) of the Companies (Passing of the Resolutions by Postal Ballot) Rules 2001, Mr. Sheetal Kumar Dak, a Company Secretary in whole time practice, has been appointed as the "Scrutinizer" for conducting the postal ballot process in a fair and transparent manner.

Accordingly, a Postal Ballot Form along with draft resolutions & explanatory statement are enclosed herewith for your consideration.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed and signed in the attached self-addressed, postage prepaid envelope, so as to reach the Scrutinizer not later than the close of working hours i.e 5.00 P.M on Wednesday, September 1, 2010. Please note that the Postal Ballot Form(s) received after the said date will be treated as not having been received. Upon scrutiny of the Postal Ballot Forms, the Scrutinizer will submit his report to the Board of Directors and/or the Company Secretary of the Company. The result of the postal ballot will be announced by the any one of the Directors and/or the Company Secretary on Friday, September 3, 2010 at 5:00 P.M. at the Registered Office of the Company at 28, Khan Manzil, Calicut Street, Opposite Fort Market, Fort, Mumbai - 400 001.

The result of the Postal Ballot will also be posted on the Company's website at www.infotelconnect.com besides being communicated to the Stock Exchanges where the Equity shares of the Company are listed and will also be published in one English daily and one Marathi Newspaper.

By Order of the Board of Directors of
HFCL INFOTEL LIMITED

KAPIL BHALLA
COMPANY SECRETARY

PLACE: MUMBAI
DATE: JULY 27, 2010

Encl:

1. Notice for transacting business through Postal Ballot.
2. Postal Ballot Form.
3. Self Addressed (postage to be paid by addressee) envelope.

NOTICE

NOTICE is hereby given pursuant to the provisions of Section 192A of the Companies Act, 1956 read with The Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, that the following Special Business shall be transacted by Postal Ballot:

ITEM NO.1.

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT approval of the shareholders be and is hereby accorded, pursuant to the provisions of Section 21 and other applicable provisions, if any, of the Companies Act, 1956, for the change in the name of the Company to QUADRANT TELEVENTURES LIMITED, the name made available to the Company, by the Registrar of Companies, Mumbai.

RESOLVED FURTHER THAT subject to all such approvals as may be required, new name - QUADRANT TELEVENTURES LIMITED - be incorporated in the Name Clause of Memorandum of Association and Articles of Association of the Company in substitution of the old name, wherever it appears therein.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be deemed necessary and appropriate in this regard and any of the Directors and /or the Company Secretary of the Company be and are hereby severally authorised to file the requisite Forms with the Registrar of Companies, Mumbai and to take all such steps as may be deemed necessary and expedient for effecting the change in the name of the Company to QUADRANT TELEVENTURES LIMITED and to inform all Statutory Authorities, Banks, Financial Institutions and others, consequent upon the change in the name of the Company."

ITEM NO.2.

To consider and, if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded for the alteration of the existing Clause V of the Memorandum of Association of the Company pertaining to the Authorised Share Capital by re-classification of the existing Authorised Share Capital - within the overall existing Authorised Share Capital of Rs. 1,500.00 Crores (Rupees One Thousand Five Hundred Crores only) by -

- Reclassifying the Authorised Preference Share Capital from Rs. 200.00 Crores to Rs. 300.00 Crores (Rupees Three Hundred Crores Only) comprising of 3,00,00,000 (Three Crore) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each; and
- Reclassifying the Authorised Equity Share Capital from Rs. 1,300.00 Crores to Rs. 1,200.00 Crores (Rupees One Thousand and Two Hundred Crores Only) comprising of 120,00,00,000 (One Hundred and Twenty Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company, pertaining to Authorised Share Capital, be and is hereby altered by substituting the following new Clause V in its place:

"The Authorised Share Capital of the Company shall be Rs. 15,00,00,00,000/- (Rupees One Thousand and Five Hundred Crores only) divided into 1,20,00,00,000 (One Hundred and Twenty Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 3,00,00,000 (Three Crore) Preference Shares of Rs. 100/- (Rupees One Hundred only) each, with the power to increase and reduce the capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively, such preferential and deferred or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, abrogate any such rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and in such manner as may, for the time being, be provided by the Articles of Association of the Company."

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and is hereby severally authorised to take all such steps as may be deemed necessary in this regard, and to sign, file the requisite Forms along with all the documents as may be deemed necessary in this regard with the Registrar of Companies, Mumbai."

ITEM NO.3.

To consider and, if thought fit, to pass the following resolution(s) as a SPECIAL RESOLUTION:

"RESOLVED THAT in view of the alteration in the Authorised Share Capital Clause of the Memorandum of Association of the Company, and pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 5(a) of the Articles of Association of the Company, pertaining to the Share Capital of the Company, be and is hereby altered by re-classifying the existing Authorised Share Capital - within the overall existing Authorised Share Capital of Rs. 1,500.00 Crores (Rupees One Thousand Five Hundred Crores only) by -

- Reclassifying the Authorised Preference Share Capital from Rs. 200.00 Crores to Rs. 300.00 Crores (Rupees Three Hundred Crores Only) comprising of 3,00,00,000 (Three Crore) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each; and
- Reclassifying the Authorised Equity Share Capital from Rs. 1,300.00 Crores to Rs. 1,200 Crores (Rupees One Thousand and Two Hundred Crores only) comprising of 120,00,00,000 (One Hundred and Twenty Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each;

RESOLVED FURTHER THAT the existing Article 5(a) of the Articles of Association of the Company, pertaining to the Share Capital of the Company, be and is hereby substituted with the following new Article 5(a):

"The Authorised Share Capital of the Company shall be Rs. 15,00,00,00,000/- (Rupees One Thousand and Five Hundred Crores only) divided into 1,20,00,00,000 (One Hundred Twenty Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each and 3,00,00,000 (Three Crore) Preference Shares of Rs. 100/- (Rupees One Hundred only) each, with the powers to increase and reduce the capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively, such preferential and deferred or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, abrogate any such rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and in such manner as may, for the time being, be provided by the Articles of Association of the Company."

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and is hereby severally authorised to take all such steps as may be deemed necessary in this regard, and to sign, file the requisite Forms along with all the documents as may be deemed necessary in this regard with the Registrar of Companies, Mumbai."

ITEM NO.4

To consider and if thought fit, to pass, the following resolution(s) as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 80, Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any modifications or re-enactments thereof, for the time being in force) and all applicable laws, applicable provisions of the Memorandum of Association and Articles of Association of the Company, terms of the Corporate Debt Restructuring Scheme ("CDR Scheme") as approved by the Corporate Debt Restructuring Cell vide their letter dated August 13, 2009, and pursuant to the individual confirmations received in this regard from the Lenders to the Company, Listing Agreement entered into with the Stock Exchanges and subject to such approvals, consents, permissions, if any,

as may be required to be taken and subject to such terms and conditions as may be prescribed in granting such approvals, consents, permissions (which terms and conditions the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, is hereby authorised to accept) the Company do offer, issue and allot, in the course of one or more offerings, upto 1,59,84,543 (One Crore, Fifty Nine Lac, Eighty Four Thousand, Five Hundred and Forty Three) 2% (two percent) Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred only) each (each of the said cumulative redeemable preference shares is hereinafter referred to as "CRPS"), fully paid up, aggregating upto Rs. 159,84,54,300/- (Rupees One Hundred and Fifty Nine Crores, eighty four lacs, fifty four thousand and three hundred only) to the below mentioned Lenders, namely the financial institution / banks in conversion of 25% of their outstanding loans in terms of the CDR Scheme, and the said CRPSs shall be redeemed over a period of four years commencing from April 1, 2021 as per details provided in the CDR Scheme and appended in the Explanatory Statement attached hereto:

- (i) Upto 1,05,69,187 (One Crore, Five Lac, Sixty Nine Thousand, One Hundred and Eighty Seven) CRPSs of the face value of Rs. 100/- only each to IDBI Bank Limited, aggregating to Rs. 1,05,69,18,700/- (Rupees One Hundred and Five Crores, Sixty Nine Lacs, Eighteen Thousand and Seven Hundred only);
- (ii) Upto 19,81,165 (Nineteen Lac Eighty One Thousand One Hundred and Sixty Five) CRPSs of face value of Rs.100/- only each to the Life Insurance Corporation of India (LIC), aggregating to Rs. 19,81,16,500/- (Rupees Nineteen Crore, Eighty One Lac, Sixteen Thousand and Five Hundred only);
- (iii) Upto 19,81,254 (Nineteen Lac, Eighty One Thousand, Two Hundred and Fifty Four) CRPSs of face value of Rs.100/- only each to the Oriental Bank of Commerce, aggregating to Rs. 19,81,25,400/- (Rupees Nineteen Crore, Eighty One Lac, Twenty Five Thousand and Four Hundred only);
- (iv) Upto 7,92,519 (Seven Lac Ninety Two Thousand Five Hundred and Nineteen) CRPSs of face value of Rs.100/- only each to ING Vysya Bank Limited, aggregating to Rs.7,92,51,900/- (Rupees Seven Crore, Ninety Two Lac, Fifty One Thousand and Nine Hundred only); and
- (v) Upto 6,60,418 (Six Lac, Sixty Thousand Four Hundred Eighteen) CRPSs of face value of Rs.100/- each to State Bank of Patiala, aggregating to Rs. 6,60,41,800/- (Rupees Six Crore, Sixty Lac, Forty One Thousand, Eight Hundred only)

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept the terms, conditions and stipulations as may be specified by the Statutory Authorities including the Securities and Exchange Board of India and relevant Stock Exchanges, while granting their approval to the Company to issue and allot the said CRPSs.

RESOLVED FURTHER THAT the Board be and is hereby authorized to further delegate all or any of the authorities/powers herein conferred on the Board, to any Committee of the Board, Director(s) and/or any officer(s) of the Company, to give effect to this Resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board and/or its duly constituted Committee be and is hereby further authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements, etc. as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, doubt or difficulty that may arise with regard to the issuance of the aforesaid CRPSs."

ITEM NO.5.

To consider and, if thought fit, to pass, the following resolution(s) as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956 (including any modifications or re-enactments thereof, for the time being in force) and all applicable laws, all relevant provisions of the Memorandum of Association and Articles of Association of the Company, Listing Agreement entered into with the Stock Exchanges and the Corporate Debt Restructuring Scheme (CDR Scheme) dated August 13, 2009 approved by the Corporate Debt Restructuring Cell ("CDR Cell"), and pursuant to the individual confirmations received in this regard from the Lenders and subject to such approvals, consents, permissions, if any, as may be required to be taken and subject to such terms and conditions as may be prescribed in granting such approvals, consents, permissions (which terms and conditions the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, is hereby authorised to accept) the Company do offer, issue and allot, in the course of one or more offering(s), upto 3,19,69,088 (Three Crore, Nineteen Lac, Sixty Nine Thousand and Eighty Eight), fully paid up, Secured Non-Convertible Debentures of the face value of Rs.100/- (Rupees One Hundred only) each (each of the said Non-Convertible Debentures is hereinafter referred as "NCD"), aggregating to Rs. 319,69,08,800/- (Rupees Three Hundred and Nineteen Crores, Sixty Nine Lacs, Eight Thousand and Eight Hundred only) to the following lenders namely the financial institution / banks in conversion of 50% of their outstanding loans in terms of the CDR Scheme and the said NCDs shall be redeemed over a period of six years commencing from April 1, 2017 as per the details provided in the CDR Scheme and as per the details mentioned in the Explanatory Statement attached hereto :

- (i) Upto 2,11,38,374 (Two Crore, Eleven Lac, Thirty Eight Thousand, Three Hundred and Seventy Four) NCDs of the face value of Rs.100/- each to IDBI Bank Limited, aggregating to Rs. 211,38,37,400/- (Rupees Two Hundred and Eleven Crore, Thirty Eight Lacs, Thirty Seven Thousand and Four Hundred only);
- (ii) Upto 39,62,331 (Thirty Nine Lac, Sixty Two Thousand, Three Hundred and Thirty One) NCDs of the face value of Rs.100/- only each to Life Insurance Corporation of India (LIC) aggregating to Rs. 39,62,33,100/- (Rupees Thirty Nine Crore, Sixty Two Lac, Thirty Three Thousand and One Hundred only);
- (iii) Upto 39,62,508 (Thirty Nine Lac, Sixty two Thousand, Five Hundred and Eight) NCDs of the face value of Rs.100/- only each to Oriental Bank of Commerce, aggregating to Rs. 39,62,50,800/- (Rupees Thirty Nine Crore, Sixty Two Lac, Fifty Thousand and Eight Hundred only);
- (iv) Upto 15,85,039 (Fifteen Lac, Eighty Five Thousand and Thirty Nine) NCDs of the face value of Rs.100/- only each to ING Vysya Bank Limited aggregating to Rs. 15,85,03,900/- (Rupees Fifteen Crore, Eighty Five Lacs, Three Thousand and Nine Hundred only); and
- (v) Upto 13,20,836 (Thirteen Lac, Twenty Thousand, Eight Hundred and Thirty Six) NCDs of the face value of Rs.100/- only each to State Bank of Patiala aggregating to Rs. 13,20,83,600/- (Thirteen Crore, Twenty Lac, Eighty Three Thousand and Six Hundred only)."

RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue and allotment of NCDs may have all or any terms or combination of terms as may be agreed between the Company and the lenders, and the Board be and is hereby authorized to enter into and execute all such arrangements/agreements as may be required, for the appointment of any advisors, guarantors, trustees, depositories, custodians and all such agencies as may be required for the issuance and allotment of the aforesaid NCDs and to remunerate all such agencies whether by payment of commission, brokerage, fees or otherwise as may be required as per the existing norms and conditions.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept the terms, conditions and stipulations as may be specified by the Statutory Authorities including Securities and Exchange Board of India (SEBI) and the relevant Stock Exchanges, while granting their approval to the Company to issue, offer and allot the said secured NCDs.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements, etc., including Debenture Trust Deed/Trusteeship Agreement as may be required to be executed and to do all such acts, deeds, matters and things, as the Board may deem necessary, proper or expedient and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/charge as aforesaid.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein to any Committee of the Board, Director(s) and/or any other officer(s) of the Company in order to give effect to this Resolution."

ITEM NO. 6.

To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions of the Companies Act 1956 (including any modifications or re-enactments thereof, for the time being in force) and all applicable laws and the relevant provisions of the Memorandum and Articles of Association of the Company and the terms and conditions of the Corporate Debt Restructuring Scheme ("CDR Scheme") dated August 13, 2009 as approved by the Corporate Debt Restructuring Cell (CDR Cell) and pursuant to the individual confirmations received in this regard from the Lenders and subject to such necessary approvals, consents, permissions and/or sanctions as may be required and subject to the terms and conditions as may be prescribed while granting any such approval, consent, permission, or sanction, which the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, is hereby authorised to accept, the Company do mortgage, charge, pledge or otherwise encumber the whole or substantially the whole of the undertaking(s) of the Company in addition to all the existing charges created and/or in the process of being created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Lenders /charge holders may prescribe on all or any of the immoveable and/or moveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company, for securing the Non Convertible Debentures to be issued by the Company, upto an amount of Rs. 319,69,08,800/- (Rupees Three Hundred and Nineteen Crores Sixty Nine Lacs, Eight Thousand and Eight Hundred only) together with interest, commitment charges, premia on prepayment, remuneration of the agent(s) and/or trustees, premium (if any) on redemption, all other costs, charges and expenses, including monies payable by the Company in terms of debenture trust deed(s) or any other document, entered into and/ or to be entered into between the Company and its lender(s) and/or agent(s) and/or Trustee(s) in respect of the said debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to by and between the Board of Directors or Committee thereof and the relevant lender(s) and/or agent(s) and/ or trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board and/or its duly constituted Committee be and are hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements, etc., as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or expedient and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein to any Committee of the Board of Directors or any officer(s) of the Company, as may be deemed necessary, in order to give effect to this Resolution."

ITEM NO.7

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT approval of the Shareholders be and is hereby accorded, in terms of the provisions of section 146 of the Companies Act, 1956 and other provisions applicable, if any, for the shifting of the Registered office of the Company from its present location at 28, Khan Manzil, Calicut Street, Opp. Fort Market, Fort, Mumbai – 400 001 to Autocars Compound, Adalat Road, Aurangabad – 431 005 Maharashtra.

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary be and is hereby severally authorised to take all such steps as may be deemed necessary in this regard, and to sign, file the requisite Forms along with all the documents as may be deemed necessary in this regard with the Registrar of Companies, Mumbai."

By Order of the Board of Directors of
HFCL INFOTEL LIMITED

PLACE: MUMBAI

DATE: JULY 27, 2010

NOTES:

1. An explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special Business to be transacted at the meeting is annexed hereto and forms part of the notice.
2. All documents referred to in the accompanying Notice and Explanatory Statement are open to inspection at the Registered Office of the Company on all working days up to August 31, 2010 between 11.00 AM and 1.00 PM.

KAPIL BHALLA

COMPANY SECRETARY

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM 1

Consequent to the change in the management of the Company, the new management proposes to change the name of the Company since the present name (HFCL INFOTEL LIMITED) creates confusion about the identity of the Company. In terms of the provisions of Section 21 of the Companies Act, 1956, any proposed change in the name of a company requires the prior approval of the shareholders, by way of Special Resolution.

Your directors, therefore, recommend the change in the name of the company from HFCL Infotel Limited to QUADRANT INFOTEL LIMITED – a name which has been made available to the Company by the Registrar of Companies, Mumbai.

None of the Directors is in any way concerned or interested in the proposed resolution.

ITEM 2

Presently, the Authorised Share Capital of the Company is Rs. 15,00,00,00,000/- (Rupees One Thousand and Five Hundred Crores only) consisting of preference share capital of Rs.200 Crores (Rupees Two Hundred Crores) divided into 2,00,00,000 (Two Crore) preference shares of Rs. 100/- (Rupees Hundred only) each and equity share capital of Rs. 13,00,00,00,000/- (Rupees One Thousand Three Hundred Crores only) divided into 130,00,00,000 (One Hundred and Thirty Crore) equity shares of Rs. 10/- (Rupees Ten only) each. As against this, the paid up share capital of the company is Rs. 677,26,02,680/- comprising of preference share capital of Rs. 65,00,00,000/- (Rupees Sixty Five Crores Only) consisting of 65,00,000 (Sixty Five Lac) preference shares of Rs. 100/- (Rupees Hundred only) each and the equity share capital of Rs. 612,26,02,680/- comprising of 61,22,60,268 (Sixty One Crore, Twenty Two Lac, Sixty Thousand Two Hundred and Sixty Eight) equity shares of Rs. 10/- (Rupees Ten only) each.

In accordance with the stipulations of the Corporate Debt Restructuring Cell (CDR Cell) vide its letter dated August 13, 2009, and as per individual confirmations received from all the Lenders, the Company is required to convert 25% (twenty five) percent of the outstanding debts due to the lenders namely the financial institution/ Banks into Cumulative Redeemable Preference Shares aggregating Rs. 159,84,54,300/- by allotment of 1,59,84,543

(One Crore, Fifty Nine Lac, Eighty Four Thousand, Five Hundred and Forty Three) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred only) each as fully paid up (each of the said cumulative redeemable preference share being hereinafter referred to as "CRPS") aggregating to Rs. 159,84,54,300/- (One hundred and fifty nine Crores, Eighty Four Lacs, Fifty Four Thousand and Three Hundred only). Accordingly, post allotment, the paid up preference share capital of the company would increase to Rs. 224,84,54,300/-, which would be in excess of the existing Authorised Preference Share Capital.

Therefore, in order to provide for the allotment of the CRPSs, it is proposed to alter the existing Authorised Share Capital of Rs. 15,00,00,00,000/- (Rupees One Thousand Five Hundred Crores only) by re-classifying the existing Authorised Share Capital by increasing the Preference Share Capital from Rs. 200,00,00,000/- to Rs. 300,00,00,000/- (Rupees Three Hundred Crores) comprising of 3,00,00,000 (Three Crore) Preference Shares of Rs. 100/- (Rupees One Hundred) each, and consequently reducing the authorised Equity Share Capital from Rs. 13,00,00,00,000/- to Rs. 12,00,00,00,000/- (Rupees One Thousand and Two Hundred Crores only) comprising of 120,00,00,000 (One Hundred and Twenty Crore) Equity Shares of Rs. 10/- (Rupees Ten) each, within the overall limit of Rs. 15,00,00,00,000/- (Rupees One Thousand and Five Hundred Crores only).

In terms of the provisions of Section 16, Section 94 and other relevant provisions of the Companies Act, 1956 ("Act"), the proposed alteration in the authorised share capital Clause V of the Memorandum of Association of the Company ("MOA") requires the approval of the shareholders by way of an Ordinary Resolution.

Your Directors recommend for approval the resolution set out in Item No. 2 as an Ordinary Resolution.

None of the Directors are in any way concerned or interested in the proposed resolution.

ITEM 3

The alteration to Authorised Share Capital clause, as stated in Item No.2, also requires amendment to Article 5(a) of the Articles of Association of the Company.

The proposed alteration of Article 5(a) of the Articles of Association of the Company ("AOA") in terms of the provisions of Section 31 of the Companies Act, 1956 requires the approval of shareholders by way of a Special Resolution.

Your Directors therefore recommend for approval the resolution sent out in Item No.3 as a Special Resolution.

None of the Directors are in any way concerned or interested in the proposed resolution.

ITEM 4

In accordance with the Corporate Debt Restructuring Scheme ("CDR Scheme") dated August 13, 2009 approved by the Corporate Debt Restructuring Cell (CDR Cell), and as per individual confirmations received from all the Lenders, the Company is required to issue and allot 2% (two percent) Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred only) each (hereinafter referred to as "CRPS") fully paid up, aggregating upto Rs. 159,84,54,300/- (Rupees One Hundred and Fifty Nine Crores, eighty four lacs, fifty four thousand and three hundred only) to the below mentioned Lenders, viz. Financial Institution / Banks by way of conversion of 25% (twenty five percent) of the amount outstanding into CRPSs as per the terms and conditions contained in the CDR Scheme, as per detail given below:

- (i) Upto 1,05,69,187 (One Crore, Five Lac, Sixty Nine Thousand, One Hundred and Eighty Seven) CRPSs of the face value of Rs.100/- only each to the IDBI Bank Limited, aggregating to Rs. 1,05,69,18,700/- (Rupees One Hundred and Five Crores, Sixty Nine Lacs, Eighteen Thousand and Seven Hundred only);
- (ii) Upto 19,81,165 (Nineteen Lac Eighty One Thousand One Hundred and Sixty Five) CRPSs of face value of Rs.100/- only each to the Life Insurance Corporation of India (LIC), aggregating to Rs. 19,81,16,500/- (Rupees Nineteen Crore, Eighty One Lac, Sixteen Thousand and Five Hundred only);
- (iii) Upto 19,81,254 (Nineteen Lac, Eighty One Thousand, Two Hundred and Fifty Four) CRPSs of face value of Rs.100/- only each to the Oriental Bank of Commerce, aggregating to Rs. 19,81,25,400/- (Rupees Nineteen Crore, Eighty One Lac, Twenty Five Thousand and Four Hundred only);
- (iv) Upto 7,92,519 (Seven Lac Ninety Two Thousand Five Hundred and Nineteen) CRPSs of face value of Rs.100/- only each to ING Vysya Bank Limited, aggregating to Rs.7,92,51,900/- (Rupees Seven Crore, Ninety Two Lac, Fifty One Thousand and Nine Hundred only); and
- (v) Upto 6,60,418 (Six Lac, Sixty Thousand Four Hundred Eighteen) CRPSs of face value of Rs.100/- each to State Bank of Patiala, aggregating to Rs.6,60,41,800/- (Rupees Six Crore, Sixty Lac, Forty One Thousand, Eight Hundred only)

In accordance with the terms and conditions contained in the CDR Scheme, the aforesaid CRPSs would be redeemable (yearly) over a period of four years w.e.f. April 1, 2021 as per the schedule given below. Also, the coupon rate, Schedule of redemption and the redemption premium payable in respect of the aforesaid CRPSs would be as follows:

Number of completed years (from CDR approval)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Calendar Year (2010 to 2024)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Premium payable on Redemption (%)	0	0	0	0	0	0	0	0	0	0	0	34	34	34	34
Coupon rate for the year (%)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Quantum of Redemption during the Year (%)	0	0	0	0	0	0	0	0	0	0	0	25	25	25	25

Premium Payable = % indicated X Amount to be converted (i.e. Rs. 159,84,54,300/-)

Since the aforesaid shares are to be issued other than on a rights basis, the approval of the shareholders is required by way of Special Resolution, in terms of the provisions of Section 81(1A) of the Companies Act, 1956.

In view of the aforesaid facts, the Board recommends the shareholders to pass the resolution proposed at Item No. 4 as a Special Resolution.

Mr. Viney Kumar and Mr. Rajesh Kandwal, Directors, may be deemed to be interested in the proposed resolution – being the Nominee Directors of IDBI Bank Limited and Life Insurance Corporation of India (LIC), respectively. None of the other Directors are in any way concerned or interested in the proposed resolution.

ITEM 5

In accordance with the Corporate Debt Restructuring Scheme ("CDR Scheme") dated August 13, 2009 approved by the Corporate Debt Restructuring Cell (CDR Cell) and as per individual confirmations received from all the Lenders, the Company is required to issue Non-Convertible Debentures aggregating Rs. 319,69,08,800/- (Rupees Three Hundred and Nineteen Crores, Sixty Nine Lacs, Eight Thousand and Eight Hundred only), to the Lenders viz. Financial Institution / Banks by way of conversion of 50% (fifty percent) of the amount outstanding into NCDs as per the terms and conditions contained in the CDR Scheme; accordingly, the company is now required to issue and allot 3,19,69,088 (Three Crore, Nineteen Lacs, Sixty Nine Thousand and Eighty Eight only), Secured Non Convertible Debentures of the face value of Rs. 100/- (Rupees One Hundred only) each, fully paid up (each of the said Non-Convertible Debentures is hereinafter referred as "NCD"), aggregating to Rs. 319,69,08,800/- (Rupees Three Hundred and Nineteen Crores, Sixty

Nine Lacs, Eight Thousand and Eight Hundred only), to the following Lenders viz. Financial Institution / Banks by way of conversion of 50% (fifty percent) of the amount outstanding into NCDs as per the terms and conditions contained in the CDR Scheme:

- (i) Upto 2,11,38,374 (Two Crore, Eleven Lac, Thirty Eight Thousand, Three Hundred and Seventy Four) NCDs of the face value of Rs.100/- each to **IDBI Bank Limited**, aggregating to Rs. 211,38,37,400/- (Rupees Two Hundred and Eleven Crore, Thirty Eight Lacs, Thirty Seven Thousand and Four Hundred only);
- (ii) Upto 39,62,331 (Thirty Nine Lac, Sixty Two Thousand, Three Hundred and Thirty One) NCDs of the face value of Rs.100/- only each to **Life Insurance Corporation of India (LIC)** aggregating to Rs. 39,62,33,100/- (Rupees Thirty Nine Crore, Sixty Two Lac, Thirty Three Thousand and One Hundred only);
- (iii) Upto 39,62,508 (Thirty Nine Lac, Sixty two Thousand, Five Hundred and Eight) NCDs of the face value of Rs.100/- only each to **Oriental Bank of Commerce**, aggregating to Rs. 39,62,50,800/- (Rupees Thirty Nine Crore, Sixty Two Lac, Fifty Thousand and Eight Hundred only);
- (iv) Upto 15,85,039 (Fifteen Lac, Eighty Five Thousand and Thirty Nine) NCDs of the face value of Rs.100/- only each to **ING Vysya Bank Limited** aggregating to Rs. 15,85,03,900/- (Rupees Fifteen Crore, Eighty Five Lacs, Three Thousand and Nine Hundred only); and
- (v) Upto 13,20,836 (Thirteen Lac, Twenty Thousand, Eight Hundred and Thirty Six) NCDs of the face value of Rs.100/- only each to **State Bank of Patiala** aggregating to Rs. 13,20,83,600/- (Thirteen Crore, Twenty Lac, Eighty Three Thousand and Six Hundred only);

The NCDs to be issued and allotted in terms of the CDR Scheme are redeemable (monthly) over a period of 6 years (six years) commencing from April 1, 2017. The rate of interest and premium payable would result in a yield of 8% (eight percent) per annum on the NCDs.

The Schedule of premium, interest rate and redemption premium payable in respect of the aforesaid NCDs, is given in the Table below:

Number of completed years (from CDR approval)	1	2	3	4	5	6	7	8	9	10	11	12	13
Calendar Year (2010 to 2022)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Premium payable on Redemption (%)	0	0	0	0	0	0	0	8	8	8	8	8	8
Interest rate for the year (%)	1	2	2	3	5	6	9	10	10	10	10	10	10
Quantum of Redemption during the Year (%)	0	0	0	0	0	0	0	10	10	20	20	20	20

Premium Payable = % indicated X Amount to be converted (i.e. Rs. 319,69,08,800).

Pursuant to the Listing Agreement entered with the relevant Stock Exchanges where the Company's securities are listed, the Company is required to in the first instance issue or offer its securities *pro rata* to the equity shareholders of the Company, unless the shareholders in the general meeting decide otherwise.

In view of the aforesaid facts, the Board recommends the shareholders to pass, the resolution proposed at Item No. 5 as an Ordinary Resolution.

Mr. Viney Kumar and Mr. Rajesh Kandwal, Directors, may be deemed to be interested in the proposed resolution – being the Nominee Directors of IDBI Bank Limited and Life Insurance Corporation of India (LIC), respectively. None of the other Directors are in any way concerned or interested in the proposed resolution.

ITEM 6

In accordance with the Corporate Debt Restructuring Scheme ("CDR Scheme") dated August 13, 2009 approved by the Corporate Debt Restructuring Cell (CDR Cell), the Non Convertible Debentures (NCDs) of the face value of Rs. 100/- (Rupees One Hundred only) each, proposed to be issued by the Company (as per details mentioned in Item 5 above) are required to be secured by way of first pari passu charge on the movable and immovable properties of the Company (both present and future) as well as the current assets of the Company.

In terms of the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the creation of charge on the undertaking(s) of the company requires the prior approval of the shareholders.

Your Directors, therefore, recommend the approval of the resolution proposed at Item No. 6 as an Ordinary Resolution.

Mr. Viney Kumar and Mr. Rajesh Kandwal - the Nominee Directors of IDBI Bank Limited and Life Insurance Corporation of India (LIC), respectively on the Board of Directors of the Company - may be deemed to be interested in the proposed resolution.

None of the other Directors are in any way concerned or interested in the proposed resolution.

ITEM 7

Pursuant to the change in the management of the company w.e.f. April 9, 2010, the Registered Office of the company was shifted from 617, Maker Chamber V, Nariman Point, Mumbai – 400 021 to a local location at 28, Khan Manzil, Calicut Street, Opp. Fort Market, Fort, MUMBAI – 400 001.

However, in order to have a more elaborate setup for the company and to ensure a better administrative control as well as operational control and management on the working and affairs of the Company, it has become essential to shift the Registered Office of the Company from its current location at 28, Khan Manzil, Calicut Street, Opp. Fort Market, Fort, Mumbai – 400 001 to a new location at Autocars Compound, Adalat Road, Aurangabad – 431 005, within the state of Maharashtra.

The proposed location will facilitate better control and management of the company's affairs. The shifting of the registered office to the proposed new location would not in any way adversely affect the interests of the Banks, Institutions, investors or employees.

The proposed shifting of the Registered office outside the local limits of the city of Mumbai requires the approval of the shareholders by way of Special Resolution passed through Postal Ballot, in terms of the provisions of section 146 and other applicable provisions of the Companies Act, 1956.

Your Directors, therefore, recommend the approval of the resolution proposed at Item No. 7, for the shifting of the Registered office by way of Special Resolution.

None of the Directors is in any way concerned or interested in the proposed resolution.

By Order of the Board of Directors of
HFCL INFOTEL LIMITED

PLACE: MUMBAI
DATE: JULY 27, 2010

KAPIL BHALLA
COMPANY SECRETARY



HFCL INFOTEL LIMITED

Regd. Office: 28, Khan Manzil, Calicut Street, Opposite Fort Market, Fort, Mumbai - 400 001.

POSTAL BALLOT FORM

(1)	Name(s) of Shareholders (in block letters, including Joint-holders if any)	:	
(2)	Registered Address of the Sole / First named Shareholder	:	
(3)	Registered Folio No. / DPID No. / Client ID No. (Applicable to investors holding shares in dematerialized form)	:	
(4)	No. of Shares held	:	

I / We hereby exercise my / our vote in respect of the Resolutions to be passed through Postal Ballot for the business stated in the Notice dated July 27, 2010 of the Company by sending my / our assent or dissent to the said resolutions by placing a tick mark (✓) at the appropriate box below:

S.NO.	DESCRIPTION	NO. OF SHARES	I / WE ASSENT TO THE RESOLUTION	I / WE DISSENT TO THE RESOLUTION
01.	Special Resolution under section 21 of the Companies Act, 1956-Change of name of the Company to QUADRANT TELEVENTURES LIMITED and the amendment of Memorandum Of Association & Articles Of Association pertaining to name clause.			
02.	Ordinary Resolution under Section 16, 94 of Companies Act, 1956 – Amendment of Clause V of Memorandum of Association pertaining to Authorised Share Capital.			
03.	Special Resolution under Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 – Amendment of Article 5(a) of Articles of Association pertaining to Authorised Share Capital.			
04.	Special Resolution under Section 80, Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 - Allotment of 2% Cumulative Redeemable Preference Shares (CRPSs) of Rs. 100/- each - aggregating Rs. 159,84,54,300/- (Rupees One Hundred and Fifty Nine Crores, eighty four lacs, fifty four thousand and three hundred only) to the Lenders, viz. Financial Institution / Banks as conversion of 25% of the amount outstanding into CRPSs as per the terms and conditions contained in the Corporate Debt Restructuring Scheme, approved by the Corporate Debt Restructuring Cell.			
05.	Ordinary Resolution under the applicable provisions of the Companies Act, 1956, for the allotment of Secured Non Convertible Debentures (NCDs) of Rs. 100/- each aggregating to Rs. 319,69,08,800/- (Rupees Three Hundred and Nineteen Crores, Sixty Nine Lacs, Eight Thousand and Eight Hundred only) to the Lenders viz. Financial Institution / Banks by way of conversion of 50% (fifty percent) of the amount outstanding into NCDs as per the terms and conditions contained in the Corporate Debt Restructuring Scheme, approved by the Corporate Debt Restructuring Cell.			
06.	Ordinary Resolution pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for securing the Non Convertible Debentures aggregating 319,69,08,800/- (Rupees Three Hundred and Nineteen Crores, Sixty Nine Lacs, Eight Thousand and Eight Hundred only) to be issued to the Financial Institution/banks by way of a pari-passu first charge on the Fixed Assets of the Company, as per the terms and conditions contained in the Corporate Debt Restructuring Scheme, approved by the Corporate Debt Restructuring Cell.			
07.	Special Resolution under section 146 of the Companies Act, 1956-Shifting of Registered Office of the Company from 28, Khan Manzil, Calicut Street, Opp. Fort Market, Fort, Mumbai to a new location at Autocars Compound, Adalat Road, Aurangabad – 431 005, within the state of Maharashtra			

Place:

Signature of the Shareholder _____

Date:

Name of Shareholder _____

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed postage prepaid envelope. Postage has been /will be borne by and paid by the Company. However, envelopes containing Postal Ballot Form, if sent by courier at the expense of the registered shareholder, will also be accepted.
2. In terms of the provisions of Rule 5(b) of The Companies (Passing of the Resolution by Postal Ballot) Rules 2001, Mr. Sheetal Kumar Dak, Company Secretary in whole time practice, has been appointed as Scrutinizer for conducting the Postal Ballot.
3. This form should be completed and signed by the shareholder. In the case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder. The Postal Ballot Form shall be rejected if the signature on the Postal Ballot Form does not match with the specimen signature registered with the Company.
4. Unsigned Postal Ballot Forms will be rejected. The assent/dissent received otherwise than on the Postal Ballot Form, shall not be considered valid.
5. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e 5.00 p.m on Wednesday, September 01, 2010. Postal Ballot Forms received after this date will be strictly treated as if the reply from the member has not been received.
6. In case of shares held by the, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Resolution of the Authority. Where the Postal Ballot Form has been signed by an authorized representative of a Body Corporate, a certified copy of the Board Resolution authorizing the signatory to execute and sign the Postal Ballot Form should be enclosed to the Postal Ballot Form. Where the Form has been signed by a representative of the President of India or Governor of State, certified copy of the nomination should accompany the Postal Ballot Form. A member may sign the Postal Ballot Form through an Attorney appointed specially for this purpose, in which case an attested true copy of the Power of Attorney should be attached to Postal Ballot Form
7. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders as on the date of dispatch of the notice.
8. Members are requested **NOT TO SEND** any other paper/query/request for change of address, etc along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope in-as-much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
9. Additional copies of the Postal Ballot Form can be obtained from the Registered Office of the Company under written request of the concerned shareholder.
10. The Postal Ballot Form incomplete in any manner whatsoever shall be liable to be rejected.
11. The result of the Postal Ballot will be declared by any one of the Directors and/or the Company Secretary on September 3, 2010 at 5:00 P.M. at the Registered Office of the Company at 28, Khan Manzil, Calicut Street, Opposite Fort Market, Fort, Mumbai - 400 001.