Quadrant Televentures Limited

CONNECT
BROADBAND

68th Annual Report
2014-15

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Rahul Amarnath Sethi
Mr. Babu Mohanlal Panchal
Mr. Rajeev Kumar (Nominee of IDBI Bank)
Ms . Mitu Mehrotra Goel
Mr . Vinay Kumar Monga

COMPANY SECRETARY
Mr. Amit Verma

CHIEF FINANCIAL OFFICER
Mr. Munish Bansal

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.
KOTAK Mahindra Bank
(Erstwhile 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 Eighth (68th) Annual General Meeting of Quadrant Televentures Limited (the "Company") will be held on Monday, 28th September, 2015 at 2:30 P.M. at the Registered Office of the Company at Autocars Compound, Adalat Road, Aurangabad - 431 005, Maharashtra to transact the following businesses: -

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended on March 31, 2015 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Mitu Mehrotra Goel (DIN 05188846), who retires by rotation at the ensuing Annual General Meeting, and being eligible, offers herself for re-appointment.
3. To ratify appointment of 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) as Statutory Auditors of the Company to hold office from the conclusion of this Meeting i.e. 68th Annual General Meeting until the conclusion of the 72nd Annual General Meeting (subject to ratification by the Members at every subsequent Annual General Meeting), on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To appoint/confirm Mr. Vinay Kumar Monga (DIN: 03029345), as an Independent Director, at the ensuing 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 Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Companies Act, 2013, Mr. Vinay Kumar Monga (DIN: 03029345), who was originally appointed by the shareholders as an Independent Director within the meaning of Clause 49 of the Listing Agreement entered into with the Stock Exchange, liable to retire by rotation, and subsequently classified/appointed as an Independent Director within the meaning of the provisions of Section 149 of the Companies Act, 2013, by the Board of Directors of the Company at their meeting held on 17th October, 2014 to comply with the requirement of Companies Act, 2013 and Rules made there under, to hold office upto a term of five consecutive years from 17th October, 2014, and in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose candidature of Mr. Vinay Kumar Monga for the office of Director of the Company, be and is hereby confirmed/appointed as an Independent Director, to hold office upto a term of five consecutive years from 17th October, 2014, not liable to retire by rotation."
5. To consider and ratify the remuneration to be paid to 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 pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Sanjay Gupta and Associates, Firm Registration No. 000212, Cost Accountant in Whole-Time practice appointed as the Cost Auditor of the Company by the Board of Directors, for conducting the Audit of the Cost Records of the Company for the financial year commencing on 1st April, 2015 at a remuneration of Rs. 1,00,000/- (Rupees One Lac Only) excluding Service Tax, traveling and other out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

By Order of the Board of Directors of
QUADRANT TELEVENTURES LIMITED

AMIT VERMA
Place: Mohali **COMPANY SECRETARY**
Dated: August 13, 2015 **MEMBERSHIP NO.27981**

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 SHALL NOT ACT 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 to be transacted at the meeting is annexed and forms part of the Notice.
3. Copies of Notice of 68th 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) and for Members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode, to those members who hold shares in physical form and whose names appear in the Company's Register of Members on Friday, 14th August, 2015 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on Friday, 14th August, 2015 as per the particulars of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Upon request, printed copy of Annual Report will be supplied to those shareholders to whom Annual Report has been sent through Electronic 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. Details under Clause 49 of the Listing Agreement entered with Stock Exchanges in respect of the Directors seeking confirmation/ appointment at the ensuing Annual General Meeting is appended to the Notice.

6. 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.

7. Members who hold shares in dematerialized form are requested to write their Client ID and Depository Participant ID and those who hold shares in physical form are requested to write their Folio Number on the Attendance Slip and bring their attendance slip, as enclosed, alongwith their copy of Annual Report to the Meeting.

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 Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 19th September, 2015 to Monday, 28th September, 2015 (both days inclusive) for the purpose of the Meeting.

10. In terms of and in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and revised Clause 35B of the Listing Agreement, the Company is pleased to offer remote e-voting facility as an alternate to all its Members to enable them to cast their vote electronically instead of casting the vote at the Meeting. The Members who have casted their votes by remote e-voting may participate in the Meeting even after exercising their right to vote through remote e-voting but they shall not be allowed to cast vote again at the Meeting. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the general meeting but have not casted their votes by availing the remote e-voting facility.

11. The remote e-voting facility shall be opened from Friday, 25th September, 2015 at 9.00 a.m. to Sunday, 27th September, 2015 till 5.00 p.m., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on Sunday, 27th September, 2015. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is casted by the member, he shall not be allowed to change it subsequently or cast the vote again.

12. 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.

13. The Company has fixed Monday, 21st September, 2015, as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.

14. Mrs. Gayathri R. Girish, Practicing Company Secretary (C.P. No. 9255) has been appointed as the Scrutinizer for conducting the voting by ballot at the Meeting and remote e-voting process in fair and transparent manner.

15. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes casted by Ballot at the Meeting, thereafter unblock the votes casted through remote e-voting in the manner provided in the Rules and make, not later than 3 days of conclusion of the Meeting, consolidated Scrutinizer's Report of remote e-voting and voting by Ballot at the Meeting, of the total votes casted in favour or against, if any, to the Chairman of the Meeting and the Chairman or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.connectzone.in and on the website of CDSL at www.cdslindia.com, immediately after the results are declared by the Chairman.

16. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Monday, 21st September 2015, may obtain the User ID and Password by sending an email request to secretarial@infotelconnect.com. Members may also call on +91 172 5090000 or send a request to Mr. Amit Verma, Company Secretary, by writing to him at Quadrant Televentures Limited at B-71, Industrial Area, Phase VII, Mohali - 160055.

17. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Monday, 21st September, 2015, the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or at the Meeting by Ballot.

18. In case of joint holders attending the Meeting, and who have not exercised their right to vote by remote e-voting facility, only such joint holder who is higher in the order of names shall be entitled to vote.

19. Non-resident Indian Members are requested to inform M/s. Cameo Corporate Services Limited, Registrar and Share Transfer Agent of the Company, immediately whenever there is a change in their residential status on return to India for permanent settlement together with the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin code number, if not furnished earlier.

20. 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.

21. Members desiring any information relating to the Financial Statements/ Director's Report 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.

22. Members who hold the shares in physical form under the multiple folios, in identical names or joint accounts in the same order or names, are requested to send the share certificates to Registrar and Share Transfer Agent of the Company namely M/s. Cameo Corporate Services Ltd., "Subramaniam Building", No.1, Club House Road, Anna Salai, Chennai - 600 002, for consolidation into a single folio.

23. 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.

24. Shareholders are requested to send any investor complaints at the Email ID for the Investor Grievance / Redressal division at secretarial@infotelconnect.com.

25. The equity shares of the Company are tradable compulsorily in electronic form and your Company has established connectivity with both the Depositories i.e. NSDL and CDSL. Taking into consideration the enormous advantages offered by the Depository Systems, Members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories, as aforesaid.

26. The Annual Report of the Company will be made available on the Company's website at www.connectzone.in and also on the website of BSE Limited at www.bseindia.com

27. Members are requested to kindly bring their copy of the Annual Report to the Meeting.

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 is as under:

(i) The voting period begins on Friday, 25th September, 2015 at 9.00 a.m. and ends on Sunday, 27th September, 2015 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 the cut-off date/entitlement date of Monday, 21st September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com

(iii) Click on "Shareholders".

(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, given below this Notice or on Attendance Slip, in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DIVIDEND BANK DETAILS OR DATE OF BIRTH	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both 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) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(x) Click on the EVSN for the relevant Quadrant Televentures Limited on which you choose to vote.

(xi) 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.

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

(xiii) 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.

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

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

(xvi) 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.

(xvii) 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 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.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xix) Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Monday, 21st September, 2015, may obtain the User ID and Password by sending an email request to secretarial@infotelconnect.com. Members may also call on +91 172 5090000 or send a request to Mr. Amit Verma, Company Secretary, by writing to him at Quadrant Televentures Limited at B-71, Industrial Area, Phase-VII, Mohali 160055.

By Order of the Board of Directors of
QUADRANT TELEVENTURES LIMITED

AMIT VERMA
Place: Mohali **COMPANY SECRETARY**
Dated: August 13, 2015 **MEMBERSHIP NO.27981**

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

Item No. 4

Mr. Vinay Kumar Monga was appointed as Non-Executive Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchange. He was appointed by the members at the Annual General Meeting of the Company held on 30th September, 2010.

In terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made there under, every listed company shall have at least one-third of the total number of directors as independent directors. Further, in terms of the provisions of Clause 49(II)(A)(2) of the Listing Agreement where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the Company does not have a regular non-executive Chairman, at least half of the Board should comprise of independent directors.

Therefore, with a view to comply with the new requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement, the Board of Directors thought it fit to appoint Mr. Vinay Kumar Monga as an Independent Director for a period of five consecutive years. Accordingly, the Board of Directors of the Company at its meeting held on 17th October, 2014, have made to continue the appointment of Mr. Vinay Kumar Monga as an Independent Director to hold office upto a term of five consecutive years from 17th October, 2014, not liable to retire by rotation.

The Company has received from Mr. Vinay Kumar Monga (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013 and (3) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

The Company has also received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Vinay Kumar Monga for the office of Director of the Company.

The Board seeks the approval of Members of the Company to confirm/appoint Mr. Vinay Kumar Monga as an Independent Director of the Company for a period of five consecutive years from 17th October, 2014, pursuant to the provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

A brief profile of Mr. Vinay Kumar Monga, nature of expertise in specific functional area, name of other companies in which he holds directorship and membership/ chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is appended to the Notice.

In the opinion of the Board of Directors, Mr. Vinay Kumar Monga, the Independent Director, fulfils the conditions specified in the Companies Act, 2013 and the Rules made there under and he is independent of the Management.

All the relevant documents in connection with the appointment of Mr. Vinay Kumar Monga, are available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on working days upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Vinay Kumar Monga as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Vinay Kumar Monga, to whom the resolution relates, is interested or concerned in this resolution.

Item No. 5

The Board on the recommendation of Audit Committee has reappointed M/s Sanjay Gupta and Associates, Cost Accountants (Firm Registration No.000212), as Cost Auditors of the Company to conduct the audit of Cost Records of the Company in respect of Telecommunication Services for the financial year commencing from 1st April, 2015 to 31st March, 2016.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has decided to pay a remuneration of Rs. 1,00,000/- (Rupees One Lac Only) excluding Service Tax and other Taxes and other out of pocket expenses at actual to M/s Sanjay Gupta and Associates, for the financial year commencing from 1st April, 2015 to 31st March, 2016.

In terms of the provisions of Section 148(3) 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 shall be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee and the same has to be subsequently ratified by the Shareholders of the Company at a general body meeting.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the cost Auditors for the financial year commencing from 1st April, 2015 to 31st March, 2016.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way, concerned or interested financially or otherwise, in this resolution.

By Order of the Board of Directors of
QUADRANT TELEVENTURES LIMITED

AMIT VERMA
Place: Mohali **COMPANY SECRETARY**
Dated: August 13, 2015 **MEMBERSHIP NO.27981**

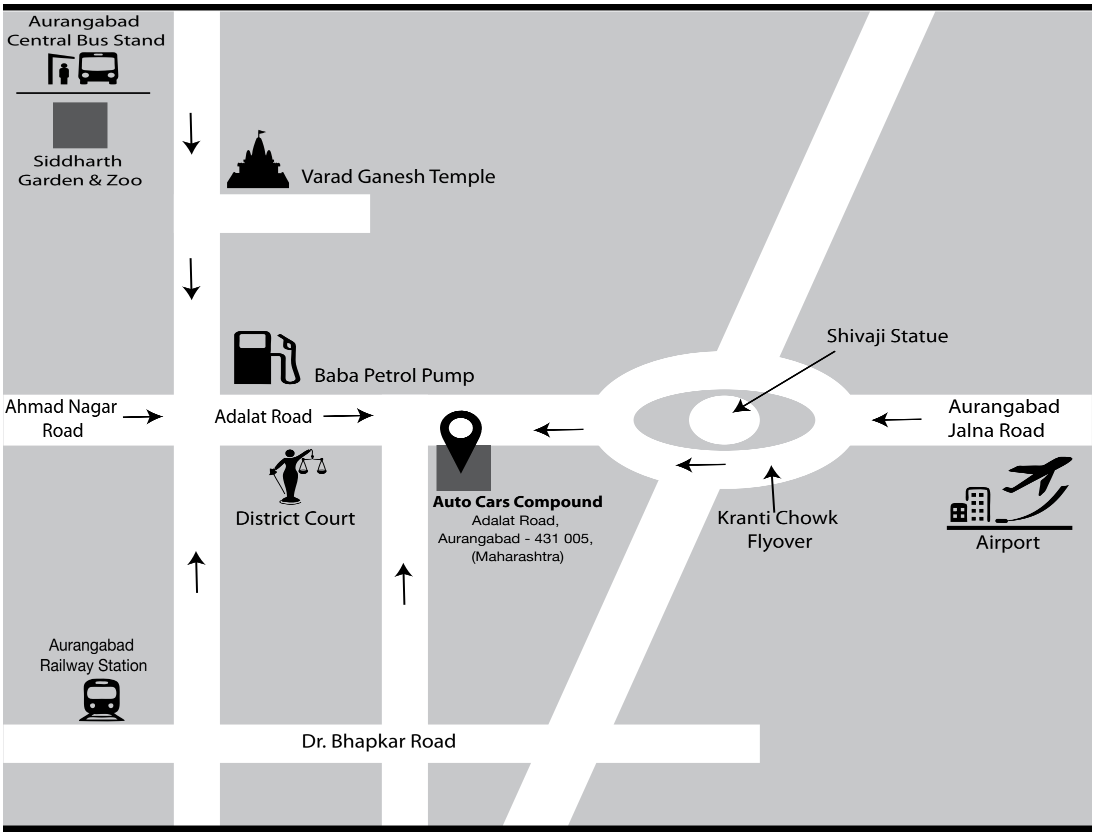
Annexure -A

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

Name of Director	Mr. Vinay Kumar Monga	Ms. Mitu Mehrotra Goel
Director Identification Number (DIN)	03029345	05188846
Date of Birth	02.08.1968	03.09.1976
Date of Appointment	09.04.2010	30.09.2014
Educational Qualification	B. Com.	M. Com., MBA (Finance), LLB
Expertise in specific functional areas	Accounts, Finance and Administration	Over 15 years of experience in the field of Taxation, Finance & Accounts
Directorships in other Companies	- Quadrant Telenet Services Private Limited - Videocon Mobile & Infra Private Limited	- Quadrant Telenet Services Private Limited - Infotel Tower Infrastructure Private Limited - Videocon Mobile & Infra Private Limited
Chairman/ Member of Committees of the Board of other Companies in which He /She is Director	NIL	NIL
No. of Share held by Directors in the Company	NIL	NIL
Relationship, if any, with the other members of the Board	None	None

Route Map to the Venue of the AGM

Autocars Compound,
Adalat Road, Aurangabad - 431 005, (Maharashtra)



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 68th (Sixty Eighth) Annual Report together with the Audited Accounts and Auditors Report for the Financial Year ended on 31st March, 2015.

SUMMARY OF FINANCIAL RESULTS

The Company's financial results for the year ended 31st March, 2015 is summarized below: -

(Rs. In millions)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
I. Revenue from operations	5207.94	4059.95
II. Other Income	36.24	29.44
III. Total Income(I+II)	5244.18	4089.39
IV. Expenses		
Networks operation Expenditure	4442.02	3784.12
Employee Benefits Expenses	803.85	688.30
Sales & Marketing Expenditure	368.44	281.01
Finance Cost	268.40	273.00
Depreciation and Amortization Expenses	1389.96	1267.80
Other Expenses	370.44	406.76
Total Expenses	7643.12	6701.00
V. Profit /(Loss) before exceptional and extraordinary items and tax (III-IV)	(2398.93)	(2611.61)
VI. Exceptional Item	-	-
VII. Profit/(Loss) before extraordinary items and tax (V-VI)	(2398.93)	(2611.61)
VIII. Extraordinary items	-	-
IX. Profit before tax (VII-VIII)	(2398.93)	(2611.61)
X. Tax expenses	-	-
(1) Current Tax		
(2) Deferred Tax		
XI. Profit /(Loss) for the period from continuing operations (IX-X)	(2398.93)	(2611.61)
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)	(2398.93)	(2611.61)

FINANCIAL PERFORMANCE REVIEW

The Company registered a growth in revenue by 28% from Rs.4,059.95 million in 2013-14 to Rs.5,207.94 million in 2014-15. Consequently, the operating losses decreased from Rs.2,611.61 million during 2013-14 to Rs.2,398.93 million during the year ended 31.03.2015.

However, the total expenses during 2014-15 increased to Rs.7,643.12 million as against Rs.6,701.00 million in the previous year due to operational and other costs.

In consolidated terms, the Company recorded a consolidated revenue of Rs.5,289.24 Million during 2014-15 against the consolidated revenue of Rs.4,117.39 Million during 2013-14.The Company incurred a loss of Rs.2,406.62 Million in 2014-15, against loss of Rs.2,616.93 Million in 2013-14.

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.

Earlier the Company was holding ISP Licence - Category-B (Punjab Circle) which was valid till June, 2015 and the Company had applied for its renewal/issuance of new ISP Licence Category-A. Considering the Company's request, the DoT has granted ISP Licence Category-A (PAN India) to the Company on January 6, 2015.

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 at 31.03.2015, the company had a total subscriber base of 3,119,797 telephony customers, including 2,711,867 GSM mobile customers, 227,707 fixed-line customers, 167,048 Broadband customers, 12,260 Wireless broadband customers and 915 FTTH customers.

During the year under review, there is no change in the nature of business of the Company.

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)

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, 2015, the Company has duly complied with all the terms and conditions as stipulated in the aforesaid CDR Package.

SHARE CAPITAL

In terms of the CDR Package, the issued, subscribed and Paid up equity share capital of the Company was required to be reduced by 90% i.e. from Rs. 612.26 Crores to Rs.61.23 Crores by extinguishing/cancelling Rs.9/- (Rupee Nine Only) per equity share out of each equity share of Rs.10/- (Rupees Ten Only) 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. The Hon'ble Bombay High Court had vide its Order dated July 4, 2014 granted its approval for the Reduction of Capital. The Certified copy of the Order has already been filed with the Registrar of Companies, Mumbai, Maharashtra for registration. The Registrar of Companies, Mumbai vide Order dated September 3, 2014, registered the said Order. The Reduction of Capital (in terms of the CDR Package) was effected in the Books of Accounts of the Company w.e.f. September 3, 2014. Trading in respect of the reduced equity share capital comprising of 61,22,60,268 equity shares with the reduced face value and paid up value of Re. 1/- per share, had commenced on BSE Ltd. w.e.f. December 29, 2014.

MATERIAL CHANGES

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31 March 2015 and the date of Directors' Report i.e. 13th August, 2015.

Further, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

SHARE CAPITAL AND LISTING OF SHARES

The Company's shares are listed on BSE Limited and are actively traded.

Consequent to the Reduction in Share Capital during the financial year, the paid-up share capital of the Company is Rs.61,22,60,268/- comprising of 61,22,60,268 equity shares of Re.1/- each.

DIVIDEND

As on 31.03.2015, the Company had accumulated losses. Your Directors, therefore, have not recommended any dividend for the financial year 2014-15.

TRANSFER TO RESERVES

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

FIXED DEPOSITS

Your Company has not accepted / renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

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.

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 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to Conservation of Energy, Technology Absorption and Foreign Exchange earnings/outgo 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 in its various tower sites.

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

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. 1.94 millions, which was on account of finance charges and travel expenses.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is appended as Annexure-5 to the Board's Report.

The Company does not have any employee whose particulars are required to be furnished under Section 197 of the Companies Act, 2013, read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The remuneration paid to all Key Managerial Personnel is in accordance with remuneration policy adopted by the company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Act and the revised Clause 49 of the Listing Agreement with Stock Exchange (URL: http://www.connectzone.in/corporate_governance.php)

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9, is provided in Annexure-1 which forms part of this report.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and the Listing Agreement, the Company has formulated a Policy on Related Party Transactions and the same is posted on the Company's website (URL: http://www.connectzone.in/corporate_governance.php).

Information on transaction with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure-3 in Form AOC-2 and the same forms part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments pursuant to Section 186 of the Companies Act, 2013 are provided in Notes no. 3, 11 and 25 respectively to the the financial statements.

BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreement.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The familiarization programme adopted by the Company is posted on the website of the Company. (URL: http://www.connectzone.in/corporate_governance.php).

REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act and Clause 49(IV)(B)(1) of the Listing Agreement, the Nomination & Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

In line with this requirement, the Board has adopted the Policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees and the same has been disclosed in the Corporate Governance Report, which forms part of the Directors' Report. The same is also available on the Company's website (URL: http://www.connectzone.in/corporate_governance.php).

NUMBER OF MEETING OF THE BOARD

Six Meetings of the Board were held during the year. For details of the meetings of the Board, refer to the Corporate Governance Report, which forms part of this report.

THE DETAILS OF DIRECTORS WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mr. Rahul Amarnath Sethi and Mr. Babu Mohanlal Panchal were appointed as Independent Directors to hold office of Director upto a term of five consecutive years from the date of 67th Annual General meeting held on September 30, 2014. Further, Ms. Mitu Mehrotra Goel was appointed as Director liable to retire by rotation at the Annual General Meeting of the Company held on September 30, 2014.

Subsequently, in order to further comply with the new requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement and so as to ensure optimum composition of Independent Directors on various committees, the Board of Directors thought it fit to appoint Mr. Vinay Kumar Monga as Independent Director for a period of 5 years. Accordingly, the Board of Directors of the Company at its meeting held on 17th October, 2014, have made to continue the appointment of Mr. Vinay Kumar Monga as Independent Director to hold office upto a term of 5 consecutive years from 17th October, 2014, not liable to retire by rotation. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. He has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and there has been no change in circumstances which may affect his status as Independent Director during the year.

The Company has also received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Vinay Kumar Monga for confirmation/appointment to the office of Director of the Company as an Independent Director. On the recommendation of the Nomination & Remuneration Committee, your Directors recommend the confirmation/appointment of Mr. Vinay Kumar Monga as an Independent Director at the ensuing Annual General Meeting, on the board upto a term of five consecutive years w.e.f. October 17, 2014, not liable to retire by rotation.

In terms of the provisions of Section 152 (6) of the Companies Act, 2013 and the Rules made there under, Ms. Mitu Mehrotra Goel, Director retires by rotation and being eligible, has offered, herself for re-appointment. The Board recommends her re-appointment at the ensuing Annual General Meeting.

A brief profile of Directors seeking confirmation/appointment, nature of expertise in specific functional area, name of other companies in which he/she holds Directorship(s) and Membership(s)/Chairmanship(s) of the Committees of the Board of Directors and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchange forms part of the Notice.

IDBI Bank Limited has with effect from April 21, 2014 nominated Mr. Rajiv Kumar as its Nominee Director in the Board in place of Mr. Viney Kumar. Further, Mr. Yatinder Vir Singh retired by rotation at the 67th Annual General Meeting held on September 30, 2014 since not offered himself for re-appointment.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

THE DETAILS OF KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

a. Changes in Key Managerial Personnel during the period 1st April, 2014 to 31st March, 2015

- Pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013, Mr. Kapil Bhalla was re-appointed as Manager of the Company for a further period of three years w.e.f. January 31, 2015 to January 30, 2018 on such terms and conditions as approved by the Shareholders of the Company at the Annual General Meeting of the Company held on September 30, 2014.
- Mr. Suniljit Singh, Chief Financial Officer of the Company had resigned and ceased to be Chief Financial Officer of the Company w.e.f. 14th November, 2014.
- Mr. Ashu Ratan Khare was appointed as Chief Financial Officer of the Company in place of Mr. Suniljit Singh w.e.f. 14th November, 2014.

b. Changes in Key Managerial Personnel during the period 1st April, 2015 till the date of signing of Board's Report

- Mr. Ashu Ratan Khare had resigned and ceased to be Chief Financial Officer of the Company w.e.f. 15th April, 2015.
- Mr. Munish Bansal was appointed as Chief Financial Officer of the Company in place of Mr. Ashu Ratan Khare w.e.f. 30th April, 2015.
- Mr. Kapil Bhalla, Company Secretary and Manager u/s 2(53) of the Company had resigned and ceased to be Company Secretary and Manager w.e.f. 23rd June, 2015.
- Mr. Amit Verma was appointed as Company Secretary of the Company in place of Mr. Kapil Bhalla w.e.f. 1st July, 2015.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received delcarations from all Independent Directors of the Company confirming that they meet with the criteria of independence, as prescribed under section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Independent Directors have also confirmed that they have complied with the company's code of conduct.

AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, the Company had, on 30th September, 2014, appointed M/s Khandelwal Jain & Co., Chartered Accountants (Firm Registration No.105049W), as Statutory Auditors of the Company for a period of 5 years from the conclusion of the Sixty Seventh (67th) Annual General Meeting of the Company upto the conclusion of Seventy Second (72nd) Annual General Meeting of the Company.

As per the provisions of Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, such appointment made by the company shall be subject to ratification in every Annual General Meeting upto the end of the tenure of appointment of the auditors.

M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

The Board recommends the ratification of the appointment of M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai from the conclusion of this meeting i.e. 68th Annual General Meeting until the conclusion of 72nd Annual General Meeting (subject to ratification by the Members at every subsequent meeting) on such remuneration as shall be fixed by the Board of Directors of the Company.

COST AUDITOR

The Central Government had directed vide its order no.52/26/CAB-2010 dated 6th November, 2012 to conduct a Cost Audit in respect of the specified products viz., Telecommunication Industry.

The Board of Directors of the Company has accorded its approval for the appointment of M/s Sanjay Gupta & Associates, Cost Accountants, New Delhi as Cost Auditors for the Financial Year 2015-16, as the Cost Auditor of the Company, to conduct audit of the Cost Accounting Records maintained by the Company for the financial year commencing on 1st April, 2015 and ending on 31st March, 2016, subject to the approval of the Central Government.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution for ratification of the remuneration amounting to Rs. 1,00,000/- (Rupees One Lac Only) plus applicable service tax and out of pocket expenses payable to the Cost Auditors for financial year commencing on 1st April, 2015.

In compliance with the provisions of the Companies (Cost Audit Report) Rules, 2011 and General Circular No. 15/2011 issued by Government of India, Ministry of Corporate Affairs, Cost Audit Branch, we hereby submit that, the Company has filed the Cost Audit Report for the financial year ended on 31st March, 2014 on 30th September, 2014. As regards, to the financial year ended on 31st March, 2015, the due date for filing the Cost Audit Report is 27th September, 2015 and the Company shall file the same on or before due date.

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company has appointed M/s Sanjay Gupta & Associates, Cost Accountants, New Delhi as Cost Auditors for the Financial Year 2015-16.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Dinesh Bhandhari (CP No.:10300, FCS: 5887), Practicing Company Secretary to undertake the secretarial audit of the company. The Practicing Company Secretary has submitted the report on the Secretarial Audit conducted by him which is annexed to this Board Report as Annexure-4. In connection with the auditor's observation in the report, it is clarified that the non-filing of Form CHG-1 in relation to creation of charge on assets of the Company is mere accidental omission due to inadvertence. The Company is in process of filing of Form CHG-1 with ROC.

INTERNAL AUDITORS

M/s Ernst and Young performs the duties of internal auditors of the Company and their report is reviewed by the Audit Committee from time to time.

CASH FLOW STATEMENT

As per the requirements of Clause 32 of the Listing Agreement with the Stock Exchange, the Cash Flow Statement as prepared in accordance with the Accounting Standard on Cash Flow Statement (AS 3) issued by the Institute of Chartered Accountants of India, is given along with the Balance Sheet and Statement of Profit and Loss.

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.

The recommendations of the Audit Committee are accepted by the Board.

RISK MANAGEMENT POLICY

The Company has a robust Risk Management policy to identify, evaluate business risks and opportunities. This policy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The policy defines the risk management approach across the organization at various levels including documentation and reporting. The Company has identified various risks and also has mitigation plans for each risk identified.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred an amount of Rs.10,86,059/- which was credited by the Oriental Bank of Commerce, Mumbai towards unpaid / unclaimed deposits / interest credited by the Bank on matured deposits into the Escrow Account to the Investor Education and Protection Fund ("IEPF") established by the Central Government.Members are requested to note that upon transfer, no claims shall lie against the Company or the IEPF in respect of any amounts which remained unclaimed/unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.

As of March 31, 2015, 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 COMPANIES

As on March 31, 2015, 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.

Quadrant Telenet Services Private Limited was incorporated as Subsidiary of the Company on March 30, 2015 to undertake the business of Telecommunications, Internet Services, Telecom Infrastructures and other related telecom services.

Videocon Mobile & Infra Private Limited (formerly Connect Teleinfra Private Limited) was incorporated as Subsidiary Company of Infotel Tower Infrastructure Private Limited on March 27, 2015 to undertake the business of Telecommunications, Internet Services, Telecom Infrastructures and other related telecom services. Hence, Videocon Mobile & Infra Private Limited becomes step down subsidiary company of the Company.

After the Balance Sheet date on May 30, 2015, the Company disinvested its stake in its wholly owned subsidiary, namely, Infotel Tower Infrastructure Private Limited. Accordingly, M/s Infotel Tower Infrastructure Private Limited is ceased to be a subsidiary company of the Company w.e.f. May 30, 2015, consequently, M/s Videocon Mobile & Infra Private Limited also ceased to be a step down subsidiary company of the Company.

As on the date of signing of this Report, the Company is having only one subsidiary, namely, Quadrant Telenet Services Private Limited.

Pursuant to the provision of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached as Annexure-2 to the financial statement of the Company.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, Consolidated financial statements alongwith relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

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 respective subsidiary company. Copies of the annual accounts of the subsidiary company will also be made available to the shareholders - upon request.

JOINT VENTURES/ASSOCIATE COMPANIES

As of March 31, 2015, there are no Joint Ventures / Associate Companies 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.

AUDITORS' REPORT

The Statutory Auditors of the Company, M/s Khandelwal Jain & Co., Chartered Accountants, have submitted the Auditors' Report which has observation on Standalone and Consolidated Financial Statements for the period ended March 31, 2015.

MANAGEMENT'S EXPLANATION TO THE AUDITORS' OBSERVATIONS: -

A) *Auditors' Observation in the Standalone Auditor's Report & Annexure to the Auditor's Report*

1. Point No.5 of the Auditor's Report which summarises the basis of Emphasis of Matter *"We draw attention to Note No.28 to the Financial Statements, the Company has incurred a net loss of Rs.2,398,930,498/- during the year, the accumulated losses as at March 31, 2015 amounted to Rs.16,290,302,925/- resulting in erosion of its net worth and has net current liabilities of Rs.11,325,415,028/- as at March 31, 2015. 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."*

2. Point No. VIII of the Annexure to Auditor's Report *"The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year. The Company has incurred cash loss during the financial year and also in the immediately preceding financial year.*

Management's Explanations to the Auditor's Observations 1 and 2

The accumulated losses of the Company as at March 31, 2015 are more than fifty percent of its networth as at that date. The losses are due to declining market of the fixed line business and high operating costs. The management is confident of generating cash flows from business operations through increasing subscribers' base and other value added services and reducing losses gradually. Further with the support of significant shareholders to fund its operating and capital expenditure. Management is confident of meeting its funds requirement.

B) Auditors' Observation in the Consolidated Auditor's Report & Annexure to the Auditor's Report

5(a) In case of Holding Company we draw attention to Note No. 29(a) to the financial statements, the Company has incurred a net loss of Rs. 2,398,930,498/- during the year, the accumulated losses as at March 31, 2015 amounted to Rs. 16,290,302,925/- resulting in, the erosion of its net worth and has net current liabilities of Rs. 11,325,415,028/- as at March 31, 2015. 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.

5(b) In case of subsidiary Company ITIPL, We draw attention to Note 29(b) to the financial statements. The Company has incurred a loss of Rs. 7,693,049 during the year (accumulated loss of Rs. 33,132,939) resulting into erosion of its net worth as at March 31, 2015. 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 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.

Management's Explanations to the Auditor's Observations 5(a) and 5(b)

In Consolidated terms, the company has incurred net loss of Rs. 2,406,623,553/- during the year and the accumulated losses as at March 31, 2015, amounted to Rs. 16,323,522,120/- resulting in, the erosion of its netwoth and has net current liabilities of Rs. 11,355,217,330/- as at March 31,2015.

The accumulated losses of the Company as at March 31, 2015, in consolidated terms are more than fifty percent of its networth as at that date. The losses are due to declining market of the fixed line business and high operating costs. The management is confident of generating cash flows from business operations through increasing subscribers' base and other value added services and reducing losses gradually. Further with the support of significant shareholders to fund its operating and capital expenditure, Management is confident of meeting funds requirement.

PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

POLICY ON PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and b) Code of Fair Disclosure. The Company's Code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods.

CORPORATE GOVERNANCE

The Company is committed to maintain 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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Directors state that:

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

(b) The Directors had selected such accounting policies and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis;

(e) The Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

The Directors also extend their appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance.

For and on behalf of the Board of Directors

Mitu Mehrotra Goel	**Vinay Kumar Monga**
Director	**Director**
(DIN: 05188846)	**(DIN: 03029345)**

Place: Mohali
Date: August 13, 2015

Annexure -1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- L00000MH1946PLC197474

ii) Registration Date: 02/08/1946

iii) Name of the Company: QUADRANT TELEVENTURES LIMITED

iv) Category / Sub Category of the Company: COMPANY LIMITED BY SHARES/INDIAN NON GOVERNMENT COMPANY

v) Address of the Registered office and contact details: AUTOCARS COMPOUND, ADALAT ROAD, AURANGABAD-431005
Ph. 0240-2320754
E-mail Address : secretarial@infotelconnect.com

vi) Whether listed company (Yes/No) : YES

vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any:
Cameo Corporate Services Limited
Unit- Quadrant Televentures Limited
(Formerly HFCL Infotel Limited),'Subramaniam Building No.1,Club House Road, Anna Salai,Chennai-600002

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

SI. No.	Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the company
1	Basic telephone services- wired and WLL	5101	11%
2.	Cellular mobile telephone services-wireless and WLL	5102	55%
3	Internet and Broadband Services	5103	34%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI. No	Name And Address Of The Company	Cin/Gln	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Quadrant Enterprises Private Limited 171-C, Floor-17, Plot-224, C Wing, Mittal Court, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021	U32109MH2009PTC191649	Holding Company	53.3604%	2(46)
2	Infotel Tower Infrastructure Private Limited(ITIPL) B-71, Industrial Area, Phase-VII, Mohali, Punjab-160055	U10300PB2008PTC032171	Subsidiary	100%	2(87)
3.	Videocon Mobile & Infra Private Limited B-71, Industrial Area, Phase-VII, Mohali, Punjab-160055	U64200PB2015PTC039345	Subsidiary of ITIPL	NA	2(87)
4.	Quadrant Telenet Services Private Limited, B-71, INDUSTRIAL AREA, PHASE-VII, MOHALI, PUNJAB-160055	U64200PB2015PTC039352	Subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(I) **Indian**									
a) Individual/HUF	0	0	0	0.0000	0	0	0	0.0000	0.00
b) Central Govt	0	0	0	0.0000	0	0	0	0.0000	0.00
c) State Govt(s)	0	0	0	0.0000	0	0	0	0.0000	0.00
d) Bodies Corp	326705000	0	326705000	53.3604	326705000	0	326705000	53.3604	0.00
e) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.00
f) Any other…									
Sub-total(A)(1):-	**326705000**	**0**	**326705000**	**53.3604**	**326705000**	**0**	**326705000**	**53.3604**	**0.00**
(2) **Foreign**									
a) NRIs-	0	0	0	0.0000	0	0	0	0.0000	0.00
Individuals	0	0	0	0.0000	0	0	0	0.0000	0.00
b) Other- Individuals	0	0	0	0.0000	0	0	0	0.0000	0.00
c) Bodies Corp.	0	0	0	0.0000	0	0	0	0.0000	0.00
d) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.00
e) Any other…									
Sub-Total(A)(2):-	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.00**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**326705000**	**0**	**326705000**	**53.3604**	**326705000**	**0**	**326705000**	**53.3604**	**0.00**
B. **Public Shareholding**									
1. **Institutions**									
a) Mutual Funds	0	0	0	0.0000	0	0	0	0.0000	0.00
b) Banks/FI	183357252	0	183357252	29.9475	182429236	0	182429236	29.796	- 0.1515
C) Central Govt	0	0	0	0.0000	0	0	0	0.0000	0.00
d) State Govt(s)	0	0	0	0.0000	0	0	0	0.0000	0.00
e) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.00
f) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.00
g) FIIs	125000	0	125000	0.0204	125000	0	125000	0.0204	0.00
h) Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.00
i) Others (Specify)									
Sub-total(B)(1):-	183482252	0	183482252	29.9679	182554236	0	182554236	29.8164	-0.1515
2.**Non-Institutions**									
a) **Bodies Corp.**									
i) Indian	76161527	516309	76677836	12.5237	75073228	516309	75589537	12.3459	-0.1778
ii)Overseas	0	2775	2775	0.0004	0	2775	2775	0.0004	0.00
b) **Individuals**									
i)Individual shareholders holding nominal share capital upto Rs. 1 lakh	10554860	636834	11191694	1.8279	18351681	625769	18977450	3.0995	1.2716
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	11678490	0	11678490	1.9074	5529536	0	5529536	0.9031	-1.0043
iii) Others(specify)									
Clearing members	40935	0	40935	0.0066	3987	0	3987	0.0006	-0.0060
Hindu divided families	2074876	0	2074876	0.3388	2415041	0	2415041	0.3944	0.0556
Non resident indians	403920	2490	406410	0.0663	478877	2490	481367	0.0786	0.0123
Trusts	-	-	-	-	1339	0	1339	0.0002	0.0002
Sub-total (B)(2):-	100914608	1158405	102073016	16.6711	101853689	1147343	103001032	16.8227	0.1516
Total Public Shareholding (B)=(B)(1)+(B)(2)	284396860	1158405	285555268	46.64	284407925	1147343	285555268	46.6391	0.0001
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.0000
Grand Total (A+B+C)	**611101860**	**1158405**	**612260268**	**100.0000**	**611112925**	**1147343**	**612260268**	**100.0000**	**0.0001**

(ii) **Shareholding of Promoters**

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Quadrant Enterprises Private limited	326705000	53.3604	66.9426	326705000	53.3604	66.9426	--------
	Total	**326705000**	**53.3604**	**66.9426**	**326705000**	**53.3604**	**66.9426**	**--------**

(iii) **Change in Promoter's Shareholding' (please specify, if there is no change) :**

SI. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	THERE IS NO CHANGE IN THE PROMOTER'S SHAREHOLDING DURING THE YEAR 2014-2015			
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g allotment/ transfer/bonus/sweat equity etc):				
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI. No	Top 10 Shareholders *	Shareholding at the beginning of the year 01-04-2014		Cumulative Shareholding at the end of the year 31-03-2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	IDBI Bank	118271641	19.3172	118271641	19.3172
2	Oriental Bank of Commerce	22977832	3.7529	22977832	3.7529
	Oriental Bank of Commerce	16043505	2.6203	15115489	2.4688
3	Mantu Housing Projects Ltd	21000000	3.4299	21000000	3.4299
4	Masitia Capital Services Ltd.	13015565	2.1258	13015565	2.1258
5	ING Vyasa Bank Ltd.	11871038	1.9388	11871038	1.9388
6	Life Insurance Corporation Of India	10772205	1.7594	10772205	1.7594
7	Moolsons Holding Private Ltd.	8253659	1.3480	7305179	1.1931
8	Madanlal Ltd.	5082251	0.8300	5082251	0.8300
9	INDSEC SEC & FIN Ltd.	4840000	0.7905	4840000	0.7905
10	MKJ Enterprises Limited	4547488	0.7427	4547488	0.7427

*The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	THERE IS NO DIRECTOR'S AND KMP'S SHAREHOLDING DURING THE YEAR 2014-2015			
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g allotment/transfer/ bonus/sweat equity etc):				
	At the End of the year				

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits
Indebtedness at the beginning of the financial year			------
i) Principal amount	9.03	587.24	
ii) Interest due but not paid	-----	------	------
iii) Interest accrued but not due	-----	------	------
TOTAL (I+II+III)	**9.03**	**587.24**	**------**
Change in indebtedness during the financial year			
• Addition	**1.55**	------	------
• Reduction	-----	------	------
NET CHANGE	**1.55**	**------**	**------**
Indebtedness at the beginning of the financial year			
i) Principal amount	**10.58**	**587.24**	
ii) Interest due but not paid	-----	------	------
iii) Interest accrued but not due	-----	------	------
TOTAL (I+II+III)	**10.58**	**587.24**	**------**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in lakhs.)

SI. NO	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. Kapil Bhalla, Manager u/s 2(53)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	15.64	15.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.29
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	NIL	NIL
2.	Stock option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify…	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	15.93	15.93
	Ceiling as per the Act	Remuneration paid is within the ceiling prescribed under Companies Act 2013 / Companies Act 1956.	

B. Remuneration to other directors:

(In. Rs.)

SI. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	**Mr. Rahul Amarnath Sethi**	**Mr. Babu Mohanlal Panchal**	**Mr. Vinay Kumar Monga**	
	• Fee for attending board/committee meetings • Commission • Others, please specify	35,000 ---- ----	40,000 ---- ----	80,000 ---- ----	
	Total (1)	35,000	40,000	80,000	1,55,000
2.	Other Non-Executive Directors	**Ms. Mitu Mehrotra Goel ***	**Mr. Yatinder Vir Singh*****	**Mr. Rajeev Kumar ****	
	• Fee for attending board/committee meetings • Commission • Others, please specify	20,000 ---- ----	45,000 ---- ----	20,000 ---- ----	
	Total (2)	20,000	45,000	20,000	85,000
	Total (B)=(1+2)	55,000	85,000	85,000	2,40,000
`	Total Managerial Remuneration				
	Overall Ceiling as per the Act	The sitting fee has been paid within the limit prescribed by Companies Act, 2013.			

*Ms. Mitu Mehrotra Goel was appointed as Non-Executive Director w.e.f. September 30, 2014.

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

*** Mr. Yatinder Vir Singh ceased to be the Director of the Company w.e.f. September 30, 2014

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Rs.(in lakhs.)

SI.No	Particulars of Remuneration	Key Managerial Personnel				
		CEO	**Company Secretary & Manager u/s 2 (53)**	**CFO**		**Total**
1		-	Mr. Kapil Bhalla	Mr. Sunil Jit Singh *	Mr. Ashu Ratan Khare**	
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act,1961		15.64 0.29 Nil	20.67 0.23 Nil	5.40 0.12 Nil	41.71 0.64 Nil
2.	Stock Option	NIL	NIL	NIL	NIL	Nil
3.	Sweat Equity	NIL	NIL	NIL	NIL	Nil
4.	Commission - As % of profit - Others, specify…	NIL	NIL	NIL	NIL	Nil
5.	Others, Please Specify	NIL	NIL	NIL	NIL	Nil
	Total		15.93	20.9	5.52	42.35

***Mr. Sunil Jit Singh had resigned and ceased to be Chief Financial Officer w.e.f 14th November, 2014**

**** Mr. Ashu Ratan Khare was appointed as Chief Financial Officer of the Company in place of Mr. Sunil Jit Singh on 14th November, 2014**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section Of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (GIVE DETAILS)
A. COMPANY					
Penalty	---------	---------	---------	---------	---------
Punishment	---------	---------	---------	---------	---------
Compounding	Section-136 of the Companies Act, 1956	The Books of account of the Company were inspected by an Officer of the Central Government under Section 209A of the Companies Act, 1956 and during the course of inspection it was noticed that no instrument creating the charge was available at the Registered Office of the Company and hence there is a violation of Section 136 of the Companies Act, 1956. In view of the above facts, pointed out by the Inspecting Officer, the learned Registrar of Companies – Maharashtra, Mumbai vide his letter No. ROC/ STA(PD)/Insp/209A/197474/4434 dated 26th September, 2014 served on the Company and its present and former Directors and Company Secretary and Manager under Section 269 of the Companies Act, 1956, directed to give explanation for alleged violation of the provisions of Section 136 of the Companies Act, 1956. The Company has made *Suo- moto* Joint and composite Application under section 621A for compounding of the offence committed u/s 136 of the Companies Act, 1956 with ROC, Maharashtra. The application is under process with ROC.	**NIL**	**NIL**	
	Section-138 of the Companies Act, 1956	The Books of account of the Company were inspected by an Officer of the Central Government under Section 209A of the Companies Act, 1956 and during the course of inspection it was noticed that the Company has issued a debentures in lieu of outstanding loans to the charge holders and has filed Form No. 10. However, no charge has been satisfied by filing Form no. 17 with the Registrar of Companies in this regard with respect to original charge registered in favour of charge holder. In view of the above facts, pointed out by the Inspecting Officer, the learned Registrar of Companies – Maharashtra, Mumbai vide his letter No. ROC/ STA(PD)/Insp/209A/197474/4429 dated 26th September, 2014 served on the Company and its present and former Directors and Company Secretary and Manager under Section 269 of the Companies Act, 1956, directed to give explanation for alleged violation of the provisions of Section 138(1) of the Companies Act, 1956. The Company has made *Suo- moto* Joint and composite Application under section 621A for compounding of the offence committed u/s 138 of the Companies Act, 1956 with ROC, Maharashtra. The application is under process with ROC.	**NIL**	**NIL**	
	Section-163 of the Companies Act, 1956	The Books of account of the Company were inspected by an Officer of the Central Government under Section 209A of the Companies Act, 1956 and during the course of inspection it was noticed that the Register of Members, index of Members and copies of Annual Return are kept at the Corporate office at B-71, Industrial Focal Point, Phase-VII, Mohali Punjab 160055 instead of keeping it at its Registered Office. The Company has not passed and filed any special resolution with the Registrar for keeping Register of Members, copies of Annual Return etc at its Corporate Office in terms of requirement of Section 163(1) of the Companies Act, 1956, hence there is a violation of Section 163(1) of the Companies Act, 1956. In view of the above facts, pointed out by the Inspecting Officer, the learned Registrar of Companies – Maharashtra, Mumbai vide his letter No. ROC/ STA(PD)/Insp/209A/197474/4440 dated 26th September, 2014 served on the Company and its present and former Directors and Company Secretary and Manager under Section 269 of the Companies Act, 1956, directed to give explanation for alleged violation of the provisions of Section 163(1) of the Companies Act, 1956. The Company has made *Suo- moto* Joint and composite Application under section 621A for compounding of the offence committed u/s 163 of the Companies Act, 1956 with ROC, Maharashtra. The application is under process with ROC	**NIL**	**NIL**	

	Section-193 of the Companies Act, 1956	The Books of account of the Company were inspected by an Officer of the Central Government under Section 209A of the Companies Act, 1956 and during the course of inspection it was noticed that the minutes of Board Meeting and General Meetings were in loose and put in the binder. The pages of the minutes books were not consecutively numbered and also not dated as required under the provisions of Section 193(1) of the Companies Act, 1956 hence there is a violation of Section 193(6) of the Companies Act, 1956. In view of the above facts, pointed out by the Inspecting Officer, the learned Registrar of Companies – Maharashtra, Mumbai vide his letter No. ROC/STA(PD)/Insp/209A/197474/4451 dated 26th September, 2014 served on the Company and its present and former Directors and Company's Company Secretary and Manager under Section 269 of the Companies Act, 1956 directed to give explanation for alleged violation of the provisions of Section 193 of the Companies Act, 1956. The Company has made *Suo- moto* Joint and composite Application under section 621A for compounding of the offence committed u/s 193 of Companies Act, 1956 with ROC, Maharashtra. The application is under process with ROC	**NIL**	**NIL**	
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	Section-136 of the Companies Act, 1956	The Books of account of the Company were inspected by an Officer of the Central Government under Section 209A of the Companies Act, 1956 and during the course of inspection it was noticed that no instrument creating the charge was available at the Registered Office of the Company and hence there is a violation of Section 136 of the Companies Act, 1956. In view of the above facts, pointed out by the Inspecting Officer, the learned Registrar of Companies – Maharashtra, Mumbai vide his letter No. ROC/STA(PD)/Insp/209A/197474/4434 dated 26th September, 2014 served on the Company and its present and former Directors and Company Secretary and Manager under Section 269 of the Companies Act, 1956, directed to give explanation for alleged violation of the provisions of Section 136 of the Companies Act, 1956. The present and former Directors, Manager under Section 269 of Companies Act, 1956 and Company Secretary, who are Officers in default, have made *Suo- moto* Joint and composite Application under section 621A for compounding of the offence committed u/s 136 of the Companies Act, 1956 with ROC, Maharashtra. The application is under process with ROC			
	Section-138 of the Companies Act, 1956	The Books of account of the Company were inspected by an Officer of the Central Government under Section 209A of the Companies Act, 1956 and during the course of inspection it was noticed that the Company has issued a debentures in lieu of outstanding loans to the charge holders and has filed Form No. 10. However, no charge has been satisfied by filing Form no. 17 with the Registrar of Companies in this regard with respect to original charge registered in favour of charge holder. In view of the above facts, pointed out by the Inspecting Officer, the learned Registrar of Companies – Maharashtra, Mumbai vide his letter No. ROC/STA(PD)/Insp/209A/197474/4429 dated 26th September, 2014 served on the Company and its present and former Directors and Company Secretary and Manager under Section 269 of the Companies Act, 1956, directed to give explanation for alleged violation of the provisions of Section 138(1) of the Companies Act, 1956. The present and former Directors, Manager under Section 269 of Companies Act, 1956 and Company Secretary, who are Officers in default, have made *Suo- moto* Joint and composite Application under section 621A for compounding of the offence committed u/s 138 of the Companies Act, 1956 with ROC, Maharashtra. The application is under process with ROC			
	Section-163 of the Companies Act, 1956	The Books of account of the Company were inspected by an Officer of the Central Government under Section 209A of the Companies Act, 1956 and during the course of inspection it was noticed that the Register of Members, index of Members and copies of Annual Return are kept at the Corporate office at B-71, Industrial Focal Point, Phase-VII, Mohali Punjab 160055 instead of keeping it at its Registered Office. The Company has not passed and filed any special resolution with the Registrar for keeping Register of Members, copies of Annual Return etc at its Corporate Office in terms of requirement of Section 163(1) of the Companies Act, 1956, hence there is a violation of Section 163(1) of the Companies Act, 1956. In view of the above facts, pointed out by the Inspecting Officer, the learned Registrar of Companies – Maharashtra, Mumbai vide his letter No. ROC/STA(PD)/Insp/209A/197474/4440 dated 26th September, 2014 served on the Company and its present and former Directors and Company Secretary and Manager under Section 269 of the Companies Act, 1956, directed to give explanation for alleged violation of the provisions of Section 163(1) of the Companies Act, 1956.			

		The present and former Directors, Manager under Section 269 of Companies Act, 1956 and Company Secretary, who are Officers in default, have made *Suo- moto* Joint and composite Application under section 621A for compounding of the offence committed u/s 163 of the Companies Act, 1956 with ROC, Maharashtra. The application is under process with ROC			
	Section-193 of the Companies Act, 1956	The Books of account of the Company were inspected by an Officer of the Central Government under Section 209A of the Companies Act, 1956 and during the course of inspection it was noticed that the minutes of Board Meeting and General Meetings were in loose and put in the binder. The pages of the minutes books were not consecutively numbered and also not dated as required under the provisions of Section 193(1) of the Companies Act, 1956 hence there is a violation of Section 193(6) of the Companies Act, 1956. In view of the above facts, pointed out by the Inspecting Officer, the learned Registrar of Companies – Maharashtra, Mumbai vide his letter No. ROC/STA(PD)/Insp/209A/197474/4451 dated 26th September, 2014 served on the Company and its present and former Directors and Company's Company Secretary and Manager under Section 269 of the Companies Act, 1956 directed to give explanation for alleged violation of the provisions of Section 193 of the Companies Act, 1956. The present and former Directors, Manager under Section 269 of Companies Act, 1956 and Company Secretary, who are Officers in default, have made *Suo- moto* Joint and composite Application under section 621A for compounding of the offence committed u/s 193 of Companies Act, 1956 with ROC, Maharashtra. The application is under process with ROC			
	Section-217 of the Companies Act, 1956	The Books of account of the Company were inspected by an Officer of the Central Government under Section 209A of the Companies Act, 1956 and during the course of inspection it was noticed that in the Auditors Report for the financial year ended March 31, 2011, auditors made the observation that *"without qualifying our opinion we draw attention to note 1 (c) of Schedule 21 to the financial statements. The Company has incurred a loss of Rs. 2,236,667,344/- during the year (accumulated loss of Rs. 13,636,994,938/-) resulting into erosion of its net worth, and has a net current liabilities of Rs. 6,588,544,442/- as at March 31, 2011. 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."* Accordingly, the Board of Directors had not given fullest information in its report on every reservation, qualification or adverse remark contained in Auditors Report. Though the Auditor has not qualified the above matter but it will certainly fall under 'reservation' or 'adverse remarks' hence there is a violation of Section 217(3) of the Companies Act, 1956. In view of the above facts, pointed out by the Inspecting Officer, the learned Registrar of Companies – Maharashtra, Mumbai vide his letter No. ROC/STA(PD)/Insp/209A/197474/4446 dated 26th September, 2014 served on the Company's present and former Directors and Company Secretary and Manager under Section 269 of the Companies Act, 1956 directed to give explanation for alleged violation of the provisions of Section 217(3) of the Companies Act, 1956. The present and former Directors, Manager under Section 269 of Companies Act, 1956 and Company Secretary, who are Officers in default, have made *Suo- moto* Joint and composite Application under section 621A for compounding of the offence committed u/s 217 of Companies Act, 1956 with ROC, Maharashtra. The application is under process with ROC	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Place: Mohali
Date: August 13, 2015

Mitu Mehrotra Goel
Director
(DIN: 05188846)

Vinay Kumar Monga
Director
(DIN: 03029345)

Annexure 2

Form AOC-1

(pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Account) Rules, 2014)
Financial Summary of the Subsidiary Companies

(Rs. in Lakh)

Name of Subsidiary	Infotel Tower Infrastructure Private Limited		Quadrant Telenet Services Private Limited	
Particulars	As on March 31		As on March 31	
	2015	2014	2015	2014
Share Capital	1.00	1.00	1.00	-
Reserve & Surplus	(331.33)	(254.27)	-	-
Total Assets	348.72	375.19	1.43	-
Total Liabilities	679.05	628.46	0.43	-
Details of Investments	1.00	-	-	-
Turnover	2,624.67	1,810.82	-	-
Profit/(Loss) before taxation	(105.31)	(69.68)	-	-
Provision for taxation				-
(1) Current tax				
(2) Deferred tax	28.38	16.45	-	
Profit/(Loss) after taxation	(76.93)	(53.23)	-	-
Proposed Dividend	-	-	-	-
% of share holding	100%	100%	100%	-

Note:

1) No corresponding figures for previous year has been provided for Quadrant Telenet Services Private Limited as the Company became a subsidiary only on March 30, 2015.
2) The detailed financial of the Subsidiary Companies shall be made available to any Shareholder seeking such information.
3) The Company does not have any associate companies and joint ventures.

For and on behalf of the Board of Directors

Place : Mohali
Date: August 13, 2015

Mitu Mehrotra Goel
Director
(DIN:05188846)

Vinay Kumar Monga
Director
(DIN:03029345)

Annexure 3

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis :** Quadrant Televentures Limited (QTL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2014-15

2. **Details of material contracts or arrangement or transactions at arm's length basis**

(a) Name(s) of the related party and nature of relationship: Infotel Tower Infrastructure Private Limited, wholly owned subsidiary of the company.

(b) Nature of contracts/arrangements/transactions: Manpower outsourcing services

(c) Duration of the contracts/arrangements/transactions: Period of three years effective from January 01, 2015

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

- Pay actual charges incurred by the Infotel Tower Infrastructure Private Limited i.e charges for providing manpower 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 along with the 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.

(e) Date(s) of approval by the Board, if any: August 09, 2014

(f) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

Place : Mohali
Date: August 13, 2015

Mitu Mehrotra Goel
Director
(DIN:05188846)

Vinay Kumar Monga
Director
(DIN:03029345)

Annexure 4

Secretarial Audit Report for the Financial Year Ended March 31, 2015

To

The Members of Quadrant Televentures Limited (CIN : L00000MH1946PLC197474)

Aurangabad, Maharashtra.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Quadrant Televentures Limited,** Maharashtra (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of :

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder to the extent of Regulation 55A;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sectors/ industry are:

- (a) The Indian Telegraph Act, 1885
- (b) The Telecom Regulatory Authority of India Act, 1997 and Rules and Regulations made thereunder
- (c) The Indian Wireless Telegraphy Act, 1933

We have also examined compliance with the applicable clauses of the following :

(i) Secretarial Standards issued by The Institute of Company Secretaries of India - Not applicable for financial year 2014-15.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned below in this report.

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no specific events / actions took place that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.., except the following:

Non-registration of charge for lien created for issue of performance and financial bank guarantee.

CS. Dinesh Bhandari
Practising Company Secretary
Membership No. FCS No.: 5887
Certificate of Practice No.: 10300

Place: Mohali

Date: August 13, 2015

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure -A

The Members

Quadrant Televentures Limited
Autocars Compound
Adalat Road, Auarangabad -431005
Maharashtra.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

CS. Dinesh Bhandari
Practising Company Secretary
Membership No. FCS No.: 5887
Certificate of Practice No.: 10300

Place: Mohali

Date: August 13, 2015

Annexure -5

REMUNERATION RELATED DISCLOSURES, PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	All the Directors of the Company are Non-Executive and they are entitled for payment of sitting fee only on account of Board Meetings / Committee Meetings attended by them from time to time. Since, the Company is not paying any remuneration to its directors therefore the ratio of remuneration of each director to the median remuneration of the employee can not be derived.
Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	The Company has the appraisal cycle of April to March. The increments generally released are effective from 1st April every year. The detail of remuneration paid to Key Managerial Personnel of the Company is as under: -

Name	Designation	Remuneration paid FY 2014-15 (In Rs. Lacs)	Remuneration Paid in FY 2013-14 (In Rs. Lacs)	% Increase/ (Decrease) in Remuneration from previous year
Mr. Kapil Bhalla	Company Secretary and Manager u/s 2(53)	15.93	13.81	15.35%
Mr. Ashu Ratan Khare*	Chief Financial Officer	5.52	NA#	NA#
Mr. Sunil jit Singh**	Chief Financial Officer	20.90***	23.87	NA#

*Appointed as Chief Financial Officer of the Company w.e.f. 14th Nov., 2014

**Resigned as Chief Financial Officer of the Company w.e.f. 14th Nov., 2014

#Appointed/resigned during the Financial Year 2014-15

***Remuneration paid for the period 1st April, 2014 to 14th November, 2014

Percentage increase in the median remuneration of employees in the financial year;	The Median remuneration of employees of the Company during financial year 2014-15 was Rs. 4,75,250/- and Rs. 4,45,983/- for the financial year 2013-14. In the financial year, there was an increase of 6.56% in the median remuneration of employees.
Number of permanent employees on the rolls of company;	662 (as on 31st March, 2015)
Explanation on the relationship between average increase in remuneration and company performance;	The revenue growth during the financial year 2014-15 was 28% whereas the increase in median remuneration of employees was 6.56%. As such, the average increase in the median remuneration was in line with the growth of the Company.
Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Factors including Individual's performance, Company's performance, competitive compensation market scenario and Inflation rate are considered while recommending increase in the fixed remuneration of employees. The total remuneration of Key Managerial Personnel increased by Rs. 4.67 lacs from Rs.37.68 lacs in 2013-14 to Rs.42.35 Lacs in 2014-15. During the year, the Turnover of the Company increased by 28% and the losses reduced by 8.87% during the Financial Year 2014-15.

Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The Market capitalisation of the Company as on 31st March, 2015 was Rs.204.49 Crores and as on 31st March, 2014 was Rs.168.37 Crores. Price earnings ratio of the period cannot be calculated as the earning per share is negative. The Company's Stock Price as at March 31, 2015 was Rs.3.34 per equity share of Re.1/- each. The Company has not made any public offer in the recent past and accordingly, comparison of Public Offer price and the current market price of the Company's shares will not be relevant.
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase made in the salaries of the employees other than managerial personnel in the financial year 2014-15 was approximately 16% whereas percentile increase in the managerial remuneration was approximately 12% for the same financial year.
Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	The total remuneration of Key Managerial Personnel increased by Rs. 4.67 lacs from Rs.37.68 lacs in 2013-14 to Rs.42.35 lacs in 2014-15. During the year, the Turnover of the Company increased by 28% and the losses reduced by 8.87% during the Financial Year 2014-15.
Key parameters for any variable component of remuneration availed by the directors;	There is no variable component of remuneration which is availed by the Directors during the financial year 2014-15.
Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	Not applicable
Affirmation that the remuneration is as per the remuneration policy of the Company.	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Mitu Mehrotra Goel
Director
(DIN: 05188846)

Vinay Kumar Monga
Director
(DIN: 03029345)

Place: Mohali

Date: August 13, 2015

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-15

(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, 2015, the Board of Directors of the Company consists of 5 Directors, including 3 Independent Directors and a Nominee Director 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 31.03.2015

Name of the Director	Category	No. of other Directorships #	No. of other Committee Memberships *	No. of other Committee Chairmanships *
Mr. Rahul Amarnath Sethi	Independent Director	NIL	NIL	NIL
Mr. Babu Mohanlal Panchal	Independent Director	NIL	NIL	NIL
Mr. Vinay Kumar Monga	Independent Director	NIL	NIL	NIL
Mr. Rajeev Kumar - Nominee of IDBI Bank Limited	NED	NIL	NIL	NIL
*Ms. Mitu Mehrotra Goel	NED	NIL	NIL	NIL
**Mr. Yatinder Vir Singh	NED	2	1	NIL

Excludes Directorship(s) held in private limited companies and foreign companies.

**Ms. Mitu Mehrotra Goel was appointed as Director at the Annual General Meeting of the Company held on September 30, 2014.*

*** Mr. Yatinder Vir Singh had not offered himself for the re-appointment as Director in the Annual General Meeting of the Company held on September 30, 2014.*

Note:

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

Committees considered are Audit Committee and Stakeholders Relationship Committee.

No Director is related to any other Director on the Board in terms of the definition of relative' given under the Companies Act, 2013

B) Information Placed before the Board

During the year 2014-15, 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, ((URL: http://www.connectzone.in/corporate_governance.php).

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) Number of Board Meetings held, dates and attendance; including attendance at the last 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 31.03.2015, 6 (Six) Board Meetings were held and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held are as follows: -

30th May, 2014, 9th August, 2014, 27th September, 2014, 17th October, 2014, 14th November, 2014 and 13th February, 2015 .

The 67th Annual General Meeting (AGM) of the shareholders was held on September 30, 2014.

ATTENDANCE AT BOARD MEETINGS/ AGM IN THE FINANCIAL YEAR-2014-2015			
Name of the Director	No. of Board Meetings Held/Attended		Last AGM attended (Yes/ No)
	Held	Attended	
Mr. Rahul Amarnath Sethi	6	4	Yes
Mr. Babu Mohanlal Panchal*	6	4	Yes
Mr. Yatinder Vir Singh**	6	3	No
Ms. Mitu Mehrotra Goel***	6	3	No
Mr. Rajeev Kumar (Nominee of IDBI Bank Ltd)	6	2	No
Mr. Vinay Kumar Monga	6	6	No

**Chairman of the Audit Committee*

**Mr. Yatinder Vir Singh ceased to be the Director of the Company w.e.f. September 30, 2014.

***Ms. Mitu Mehrotra Goel was appointed as a Director of the Company w.e.f. September 30, 2014.

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

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

3. Committees of the Board of Directors

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 31.03.2015, the Audit Committee comprised of the following members:

Name	Designation	Category
Mr. Babu Mohanlal Panchal	Chairman	Independent
Mr. Rajeev Kumar	Member	Nominee Director of IDBI Bank Limited
Mr. Vinay Kumar Monga	Member	Independent

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 30, 2014.

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

30th May 2014, 9th August 2014, 27th September 2014, 14th November 2014 and 13th February , 2015

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	5	3
Mr. Rajeev Kumar (Nominee of IDBI Bank)	5	2
Mr. Vinay Kumar Monga	5	5
Mr. Yatinder Vir Singh*	5	3

*Mr. Yatinder Vir Singh ceased to be the member of Committee w.e.f. September 30, 2014.

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 which are required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - 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 auditor's 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 non payment 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.

Whistle Blower Policy Mechanism

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding its accounting, auditing, internal controls or disclosure practices. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. More details are available on website (URL: http://www.connectzone.in/corporate_governance.php).

(B) NOMINATION AND REMUNERATION COMMITTEE

As on 31.03.2015, the Nomination and Remuneration Committee comprised of the following members: -

Name	Designation	Category
Mr. Rahul Amarnath Sethi	Chairman	Independent
Mr. Babu Mohanlal Panchal	Member	Independent
Ms. Mitu Mehrotra Goel	Member	Non-executive
Mr. Vinay Kumar Monga	Member	Independent

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

During the year under review, three Nomination and Remuneration Committee meeting was held on 10th July 2014, 9th August, 2014 and 14th November 2014

The Attendance of the members at the Nomination and Remuneration Committee Meetings as on March 31, 2015 was as under: -

Name of the Members	No. of Meetings held during the tenure	No. of Meetings Attended
Mr. Rahul Amarnath Sethi	3	2
Mr. Babu Mohanlal Panchal	3	1
Mr. Vinay Kumar Monga	3	3
Ms. Mitu Mehrotra Goel*	3	1
Mr. Yatinder Vir Singh**	3	2

*Ms. Mitu Mehrotra Goel was appointed as member of the Committee w.e.f. October 17, 2014.

**Mr. Yatinder Vir Singh ceased to be the member of Committee w.e.f. September 30, 2014.

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.

Remuneration Policy:

The Company has formulated the remuneration policy. The details of this policy are available on the Company's website viz. (URL: http://www.connectzone.in/corporate_governance.php).

Performance evalution criteria:

During the period under review, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board/Key Managerial Personnel/Senior Management. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The evaluation of the performance was on the basis of the contributions and suggestions made to the Board/Management with respect to financial strategy, business operations etc.

Familiarization Programme for Independent Directors

In terms of the provisions of Clause 49 of the Listing Agreement, the Company has laid down a familiarisation program for the independent directors. The Familiarisation Program aims at helping the independent directors to understand the Company, its management, roles & responsibilities in the company, operations of the Company etc. Accordingly, the Company has been following the practice which has helped its independent directors to equip themselves with the Company. The detailed program has been uploaded on the website of the Company viz. (URL: http://www.connectzone.in/corporate_governance.php).

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. 5,000/- 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 2014-15 was as under: -

Sr. No.	Name of the Director	Sitting Fee
1	Mr. Rahul Amarnath Sethi	35,000
2	Mr. Babu Mohanlal Panchal	40,000
3	Mr. Yatinder Vir Singh*	45,000
4	Ms. Mitu Mehrotra Goel*	20,000
5	Mr. Rajeev Kumar**	20,000
6	Mr. Vinay Kumar Monga	80,000

**Mr. Yatinder Vir Singh ceased to be the Director of the Company w.e.f. September 30, 2014.*

**Ms. Mitu Mehrotra Goel was appointed as a Director of the Company w.e.f. September 30, 2014.*

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

Stock Option:

The Company has not issued any Stock Options

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The **Stakeholders Relationship Committee** – which is a Board level Committee approves the transfer/transmission/transposition in excess of 5,000 shares pertaining to any single shareholder;

As on 31.03.2015, the Stakeholders Relationship Committee comprised of the following members: -

Name	Designation	Category
Mr. Rahul Amarnath Sethi	Chairman	Independent
Mr. Babu Mohanlal Panchal	Member	Independent
Ms. Mitu Mehrotra Goel	Member	Non-executive
Mr. Vinay Kumar Monga	Member	Independent

During the year under review, two Stakeholders Relationship Committee meetings were held on 30th August 2014 and 28th November 2014.

The Attendance of the members at the Stakeholders relationship Committee Meetings as on March 31, 2015 was as under: -

Name of the Members	No. of Meetings held during the tenure	No. of Meetings Attended
Mr. Rahul Amarnath Sethi	2	Nil
Mr. Babu Mohanlal Panchal	2	Nil
Mr. Vinay Kumar Monga	2	2
Ms. Mitu Mehrotra Goel*	2	1
Mr. Yatinder Vir Singh**	2	1

**Ms. Mitu Mehrotra Goel was appointed as member of the Committee w.e.f. October 17, 2014*

***Mr. Yatinder Vir Singh ceased to be the member of Committee w.e.f. September 30, 2014*

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 ceased to be the Compliance office of the Company w.e.f. June 23, 2015.

Mr. Amit Verma, Company Secretary is the Compliance officer of the Company w.e.f. July 1, 2015.

Details of Complaints received and redressed during the year ended March 31, 2015

Particulars	Received	Redressed	Pending as on 31.03.2015
Investors Complaint	0	0	NIL

This Committee meets on need basis to approve the share transfers / transmission in excess of 5,000 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.

Share Transfer Details:

The number of Shares transferred during the period under review:

S. No.	Particulars	Equity
a)	Number of Transfers	Nil
b)	Average no. of Transfers per month	Nil
c)	Number of Shares transferred	Nil

Share Transmission Details:

The number of Shares transmissions during the period under review:

S. No.	Particulars	Equity
a)	Number of Transmissions	6
b)	Number of Shares Transmitted	8732

Demat/Remat of Shares:

S. No.	Particulars	Equity
a)	Number of Demat requests approved	9
b)	Number of Sub-committee Meetings held	3
c)	Number of Shares Dematerialized	11245
d)	Percentage of Shares Dematerialized	0.0018
e)	Number of Rematerialization request approved	Nil
f)	Number of Shares Rematerialized	Nil

(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, 2015, the STIC consisted of the following members: -

Name	Designation	Category
Mr. Babu Mohanlal Panchal	Member	Independent
Ms. Mitu Mehrotra Goel	Member	Non-executive
Mr. Vinay Kumar Monga	Member	Independent
Mr. Ashu Ratan Khare	Member	Chief Financial Officer
Mr. Kapil Bhalla	Member	Company Secretary & Manager u/s 2(53) of Companies Act 2013

Due to changes in Key Managerial Personnel of the Company, the Share Transfer In-house Committee was recently reconstituted on April 30, 2015 and July 1, 2015, the following are the present members of Share Transfer In-house Committee:

1. Ms. Mitu Mehrotra Goel, Chairman
2. Mr. Babu Mohanlal Panchal, Member
3. Mr. Vinay Kumar Monga, Member
4. Mr. Munish Bansal, Chief Financial Officer - Member
5. Mr. Amit Verma, Company Secretary - Member

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.

(E) RISK MANAGEMENT COMMITTEE: -

During the period under review, the Company has constituted the Risk Management Committee to monitor and review the risk management plan.

The Company has adopted the Risk Management policy as per the requirement of Listing Agreement. The Company has in place a comprehensive framework for risk management for assessment of risk and minimize their adverse impact on the activities of the Company. The details of this policy are available on the Company's website (URL: http://www.connectzone.in/corporate_governance.php).

Composition of the Committee: -

The composition of the Committee as on 31st March, 2015 was as under: -

Name	Designation	Category
Ms. Mitu Mehrotra Goel	Chairman	Non-Executive Director
Mr. Vinay Kumar Monga	Member	Independent
Mr. Babu Mohanlal Panchal	Member	Independent

The Company Secretary is the de-facto Secretary of the Committee.

No meeting was held during the period under review.

(F) FINANCE AND GENERAL AFFAIRS COMMITTEE: -

The Board of Directors of the Company in its meeting held on August 13, 2015, approved the constitution of "Finance and General Affairs Committee" to consider and approve the general matters in the day-to-day ordinary course of business.

The composition of the Committee is as under: -

Name	Designation	Category
Ms. Mitu Mehrotra Goel	Chairman	Non-Executive Director
Mr. Vinay Kumar Monga	Member	Independent
Mr. Babu Mohanlal Panchal	Member	Independent

The Company Secretary is the de-facto Secretary of the Committee.

Terms of Reference and Scope of the Committee: -

The Committee is entrusted with various powers relating to Banks including Opening & Closing of Bank Accounts / Corporate Debt Restructuring / Legal Matters / Authorisations to deal with various Statutory Authorities/ Departments, and matters of general nature in the ordinary course of business.

4. General Body Meetings

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

AGM	Date	Location	Time	Special Resolution Passed
65th	28.09.2012	Autocars Compound, Adalat Road, Aurangabad, 431005, Maharashtra	12:00 Noon	1
66th	27.09.2013	Autocars Compound, Adalat Road, Aurangabad, 431005, Maharashtra	12:00 Noon	1
67th	30.09.2014	Autocars Compound, Adalat Road, Aurangabad, 431005, Maharashtra	12:00 Noon	3

- **Postal Ballot**

During the financial period under review, three Special Resolutions were passed through Postal Ballot, particulars of which are set out hereunder:

Resolution No.	Particulars of the Resolution passed	Section of the Companies Act, 2013, under which the resolution was passed
1	Authorised the Board of Directors of the Company to borrow money/ moneys upto an amount not exceeding Rs.5,000 Crores.	180(1)(c)
2	Authorised 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.	180(1)(a)
3	Authorised the Board of Directors to make investments, extend guarantee, provide security and make inter-corporate loans upto an amount not exceeding Rs.500 Crores.	186

Procedure of the Postal Ballot

The Board of Directors of the Company had appointed Ms. Kanchan A. Kakde, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot (physical & e-voting) process in a fair and transparent manner.

Notice of the Postal Ballot, together with a Statement setting out the material facts concerning each item of Special Business pursuant to the provisions of Section 102 of the Companies Act, 2013, Postal Ballot Form and self-addressed envelope, postage paid by the Company were dispatched to all the shareholders of the Company and all other persons entitled to receive the same. Further, the Company had also provided the e-voting facility to enable the shareholders to cast their votes electronically.

The procedure for postal ballot was as per Section 110 and other applicable provisions of the Companies Act, 2013 read together with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Results were announced and resolutions were declared as passed on 12th September, 2014.

Voting Results of the Postal Ballot

Particulars	Number of Valid Votes received	Votes in Favour	% of voting in favour	Votes Against	% of voting against	Abstain from Voting (No. of Shares)
Special Resolution under Section 180(1)(c)	327,217,137	326,731,612	99.85	485,525	0.15	129
Special Resolution under Section 180(1)(a)	327,214,137	326,726,612	99.85	487,525	0.15	3,129
Special Resolution under Section 186	327,214,137	326,728,580	99.85	485,557	0.15	3,129

5. Disclosures

(a)	Materially significant related party transactions i.e. transactions of the Company 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.41 of the Notes forming part of the financial statement in the Annual Report. A Policy on Related party transactions is posted on the Company's website – (URL: http://www.connectzone.in/corporate_governance.php).
(b)	Non compliance by the Company, penalties and strictures imposed on the Company by the 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. A Whistle Blower Policy is posted on the Company's website – (URL: http://www.connectzone.in/corporate_governance.php).
(d)	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:	The Company has complied with all the mandatory requirements and adopted the following non mandatory requirements like: - i) The Company has constituted Internal Complaints Committee to redress complaints pertaining to sexual harassment of women at work place. ii) The Company has constituted sub-committee of Stakeholders Relationship Committee under the nomenclature of Share Transfer In-house Committee (STIC) iii) Constitution of Sub-committee of the Board under nomenclature of Finance and General Affairs Committee to consider and approve the general matters in the day-to-day ordinary course of business.

6. Means of Communication

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

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

B. 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.

C. 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.

D. Annual Report, Quarterly Financial Results, Shareholding Pattern, etc of the Company as on March 31, 2015 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. **68th Annual General Meeting**

The 68th Annual General Meeting of the Company is proposed to be held as per the following schedule:

Day	Monday
Date	September 28, 2015
Time	2.30 P.M.
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, 2015
Results for the Second Quarter	On or before 14th November, 2015
Results for the Third Quarter	On or before 14th February, 2016
Results for the Fourth Quarter	On or before 30th May, 2016
Annual General Meeting for the financial year ending March 31, 2016	On or before 30th September, 2016

d. Dates of Book Closure

Company's Register of Members and Share Transfer Books will remain closed from Saturday, September 19, 2015 to Monday, September 28, 2015 (both days inclusive) for the purpose of Annual General Meeting.

e. Dividend payment date:

The Board has not recommended any dividend for the financial year ended March 31, 2015.

f. Listing of Equity Shares on Stock Exchanges

Company's shares are listed on **BSE Limited (BSE)**

As at March 31, 2015, the issued, subscribed and paid up equity share capital of the Company consists of 612,260,268 equity shares of Re1/- each. The Company has paid the requisite Listing Fee up to 31.03.2016.

g. Scrip Code

BSE : 511116

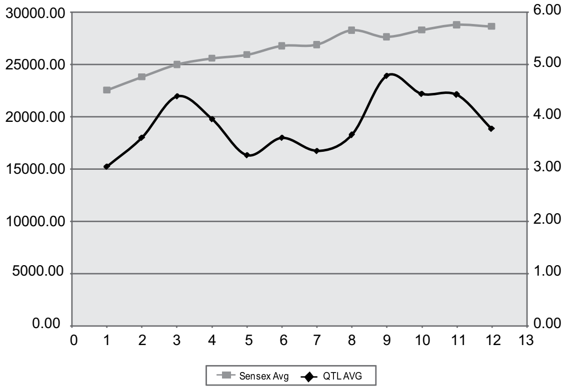
h. Stock Price Data

The reported high and low closing prices of the Company's shares traded during the fiscal 2014-2015 on the Bombay Stock Exchange are given below:

Month	High	Low
Apr 14	3.41	2.69
May 14	4.50	2.70
Jun 14	5.11	3.68
Jul 14	4.81	3.10
Aug 14	3.80	2.74
Sep 14	4.28	2.92
Oct 14	3.89	2.81
Nov 14	4.22	3.09
Dec 14	5.15	4.43
Jan 15	5.43	3.46
Feb 15	5.00	3.85
Mar 15	4.50	3.05

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, 2015

Shareholding of Nominal Value	Shareholders		Shareholding	
Rs.	Number	% of total	Rs.	% of total
1 - 5000	14208	94.0615	8942380	1.4605
5001 - 10000	442	2.9261	3496468	0.5710
10001 - 20000	214	1.4167	3145626	0.5137
20001 - 30000	63	0.4170	1604584	0.2620
30001 - 40000	37	0.2449	1302637	0.2127
40001 - 50000	32	0.2118	1486062	0.2427
50001 - 100000	48	0.3177	3674046	0.6000
100001 & Above	61	0.4038	588608465	96.1369
Total :	**15105**	**100.0000**	**612260268**	**100.0000**

Shareholding Pattern as on 31st March, 2015

Category Code	Category of shareholders	No. of Share-holders	Total no. of shares	As a percentage 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	182554236	29.8164
2	Non-Institutions:			
	- Bodies Corporate	345	75589537	12.3459
	- Individuals	14311	24506986	4.0026
	- Others	440	2904509	0.4743
	Sub - Total (B)	**15104**	**285555268**	**46.6395**
	TOTAL (A)+(B)	**15105**	**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)	**15105**	**612260268**	**100.0000**

l. Dematerialization of Shares

As on 31st March, 2015, 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-mail Address : 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

(KAPIL BHALLA)
Company Secretary & Manager
As Defined U/S 2(53) Of The Companies Act 2013

Place: Mohali
Date: May 30, 2015

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, Munish Bansal, 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, 2015 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; 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, which we became aware,

For Quadrant Televentures Limited

(MUNISH BANSAL)
Chief Financial Officer

(KAPIL BHALLA)
Company Secretary & Manager
As Defined U/S 2(53) Of The Companies Act 2013

Place: Mohali
Date: May 30, 2015

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 2015 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 or 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 Dinesh Bhandari
Practicing Company Secretaries

Place: Mohali
Date: August 13, 2015

(DINESH BHANDARI)
M.No.5887
C.P.NO.10300

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report comprises of:

- Industry Overview
- Opportunities and Threats
- Segment-wise and Product-wise performance
- Outlook
- Risks and concerns
- Internal control system and their adequacy
- Discussion on financial performance with respect to operational performance
- Material development in Human Resources/Industrial Relations front, including number of people employed

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 Category-A (PAN INDIA) 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 31.03.2015, the company had a total subscriber base of 3,119,797 telephony customers, including 2,711,867 GSM mobile customers, 227,707 fixed-line customers, 167,048 Broadband customers, 12,260 Wireless broadband customers and 915 FTTH 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 31.03.2015 are as under:

- GSM Mobile Subscriber base increased by 66% to 2,711,867 (previous year 1,633,655)
- Broadband customer base increased by 19% to 167,048 (previous year 140,600)
- Fixed Voice/ Landline Subscriber base increased by 7% to 227,707 (previous year 212,798)
- During the financial year 2014-15, the gross revenue was Rs. 5244.19 million, which was higher by 28.24% as compared to previous year.

ECONOMY AND INDUSTRY OVERVIEW

Macro Economic Situation

According to the Economic Survey 2014-15 of Government of India, the gross domestic product (GDP) is expected to grow at 5.4-7.1 percent in FY 15-16. 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 and 4G 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. Hon'ble Prime Minister, Shri Narendra Modi, has laid emphasis on National e-governance plan and has given its approval for Digital India – A programme to transform India into digital empowered society and knowledge economy.

Digital India is an ambitious programme of Government of India projected at Rs.1,13,000 crores. This will be for preparing for the knowledge based transformation and delivering good governance to citizens by synchronized and coordinated engagement with both Central Government and State Governments.

This programme has been envisaged by Department of Electronics and Information Technology (DEIT) and will impact ministry of communications & IT, Ministry of Rural Development, Ministry of Human Resource Development, Ministry of Health and others. This programme will also benefit all states and union territories. The existing / ongoing e-governance initiative would be revamped to align them with the principles of Digital India. The vision of Digital India is to transform the country into a digitally empowered society and knowledge economy. It would ensure that government services are available to citizens electronically. It would also bring in public accountability through mandated delivery of government's services electronically.

Vision - Digital India:

Infrastructure as a utility to every citizen:

High speed internet shall be made available in all gram panchayats; Cradle to grave digital identity; Mobile and Bank account would enable participation in digital and financial space at individual level; easy access to common service centre within their locality; Shareable private space on a public cloud; and safe and secure cyber space in the country.

Governance and Services on Demand:

Single window access to all persons by seamlessly integrating departments or jurisdictions; availability of government services in online and mobile platforms; All citizen entitlements to be available on the Cloud to ensure easy access; Government services to be digitally transformed for improving ease of doing business; Making financial transactions above a threshold, electronic and cashless and Leveraging GIS for decision support systems and development.

Digital empowerment of citizens:

Universal digital literacy; All digital resources universally accessible; All government documents / certificates to be available on the Cloud; Availability of digital resources / services in Indian Languages; Collaborative digital platforms for participative governance; Portability of all entitlements for individuals through the cloud.

KEY INDUSTRY DEVELOPMENTS

Growth & Market Trends

Indian Telecom market had 996.49 million connections as on March 31, 2015 (as against 933 million telecom subscribers as at March 31, 2014). With 969.89 million wireless connections there is a year on year growth rate of 2.75% which puts the telecom sector on strong footing.

The share of private sector in total telephony is 91.68%. Overall tele-density has reached 79.38%. Urban Tele-density is about 148.61%, whereas rural tele-density is at 48.37% which is also steadily increasing. Broadband connections have also crossed 99.20 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 2014-15 which, inter-alia include: -

- 2nd July, 2015: TRAI response to DoT relating to Spectrum Cap and minimum Spectrum Holding.
- 21st July, 2015: TRAI Released Clarifications / Reconsideration of Recommendations on Working Guidelines for Spectrum Trading and Guidelines on Spectrum Sharing.
- 1st May, 2015: TRAI releases Recommendations on Introducing Virtual Network Operators in Telecom Sector.
- 29th April, 2015: TRAI releases Draft Telecom Consumers Protection (Eighth Amendment) Regulations, 2015 regarding data services.
- 17th April, 2015: TRAI released Recommendations on Delivering Broadband Quickly; What do we need to do?
- 9th April, 2015 : TRAI reduces ceiling tariffs for national roaming service and mandates a special roaming tariff plan with incoming voice calls free.
- 8th April, 2015 : TRAI response on DoT reference back on recommendations on Telecom Network Failures during Emergencies / Disasters – Priority routing of calls of persons engaged in response and recovery.
- 7th April, 2015 : TRAI releases recommendations on implementation of 'Single Number based Integrated Emergency Communication and response system".

Spectrum Auction February 2015

Department of Telecommunications completed the 2G/3G/CDMA spectrum auction in the following time frame.

- 9th January, 2015: Notice inviting Applications (NIA).
- Various dates between 27th January, 2015 to 13th February, 2015; Amendments, clarifications, Supplementary, queries and responses to NIA.
- 17th February, 2015 : List of Applicants and ownership details.
- 24th February, 2015 : List of prequalified bidders.
- 27th February, 2015 : List of final bidders.
- 27th February, 2015: Order of Supreme Court regarding NIA dtd. 9th January, 2015.
- 3rd March, 2015 : 2nd Supplementary queries and responses to NIA.
- 4th to 25th March, 2015 : Auction days.
- 26th March, 2015 : Provisional frequency allocation report
- 26th March, 2015 : Provisional auction results and Court Order.
- 29th March, 2015 : Payment methodology and payment details.
- 4th April, 2015 : Update of payment details.

All India Full MNP

The All India Full MNP as mandated by the DOT was implemented w.e.f 3rd July'2015 in which now it is possible for a subscriber to port out inter circle from one state to another state beyond the boundaries of the existing License Service Area.It will facilitate the usage of One

Mobile number if a subscriber moves from one state to another state and he do not have to change his number.

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.

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 .
- Spectrum Sharing and Spectrum Trading guidelines are likely to be issued by the DOT.
- Also DOT is going to issue guidelines for the VNO(Virtual Network Operators)wherein any entity can start the services without owning the spectrum in order to reduce the marketing cost of the operators owning the Mobile Network Infrastructure.

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 – which 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 licenses 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 28% from Rs. 4,059.95 million in the 2013-14 to Rs.5207.94 million during the current year. The total expenses have also correspondingly increased from Rs. 6,701 million in 2013-14 to Rs.7643.11 million in 2014-15. Consequently, the Loss from Telecom Services during the year decreased from Rs. 2,611.61 million in the year 2013-14 to Rs.2,398.93 million in 2014-15 due reduction in paid-up value of equity share of the Company.

Revenue at a glance is as follows:

(Rs. in millions)

Parameter	**FY 2014-15**	**FY 2013-14**
Unified Access Services	2866.66	2284.41
Internet Services	1748.29	1388.07
Interconnect Usage Charges	511.02	322.79
Infrastructure Services	81.98	64.68
Other Income	36.24	29.44
Total	**5244.19**	**4089.39**

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Key Financial Indicators

Telecom Business

(Rs. in millions)

Parameter	**FY 2014-15**	**FY 2013-14**
Revenue from Telephony Service	5207.94	4059.95

On Gross Basis

(Rs. in millions)

Parameter	**FY 2014-15**	**FY 2013-14**
Gross Income	5244.19	4089.39
Loss for the year	2398.93	2611.61

Major Expenses at a glance are as follows:

(Rs. in millions)

Parameter	FY 2014-15	FY 2013-14
Network Operations Expenditure	4442.02	3784.12
Employee Benefit Expenditure	803.85	688.30
Sales & Marketing Expenditure	368.44	281.01
Administration & Other Expenditure	370.44	406.76
Finance Cost	268.40	273.00
Total	**6253.15**	**5433.19**

Share Capital

The Authorised Share Capital of the company is Rs.15000 million. Against this, the Paid up Share Capital is Rs.2860.71 million comprising of Rs.612.26 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 662 as against 679 during the previous year - with an average age of employees being 35 years. The company has a professionally qualified work force out of which more than 76% 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

Mitu Mehrotra Goel	**Vinay Kumar Monga**
Director	**Director**
(DIN: 05188846)	**(DIN: 03029345)**

Place: Mohali

Date: August 13, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF,

QUADRANT TELEVENTURES LIMITED

1 Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Quadrant Televentures Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2015, the standalone Statement of Profit and Loss, the standalone Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2 Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

4 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

5 Emphasis of Matters

We draw attention to Note No. 28 to the financial statements, the Company has incurred a net loss of Rs. 2,398,930,498/- during the year,the accumulated losses as at March 31, 2015 amounted to Rs. 16,290,302,925/-resulting in, the erosion of its net worth and has net current liabilities of Rs. 11,325,415,028/- as at March 31, 2015. 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.

6 Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditors Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

B. As required by Section 143(3) of the Act, we report that:

i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

iii. The standalone Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

iv. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

v. The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

vi. On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note No. 25 and 27 of the financial statements;

b. The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for material foreseeable losses, if any on long term contracts in the books of account as required under any applicable law / Accounting Standard and as at March 31, 2015, the Company did not have any outstanding long term derivative contracts as referred to in Note No. 27 of the financial statements;

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KHANDELWAL JAIN & Co
Chartered Accountants
Firm's Registration No. 105049W

Naveen Jain
(Partner)
Membership No. 511596

Place: Mohali
Date: May 30, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 6(A) of the Independent Auditors' Report of even date to the Members of **Quadrant Televentures Limited** on the standalone financial statements for the year ended 31st March, 2015, we report that:

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and as informed, no material discrepancies were noticed on such verification.

II. (a) As per the information furnished, the Inventories have been physically verified by the management at reasonable intervals during the period. In our opinion, having regard to the nature and location of stocks, the frequency of physical verification is reasonable.

(b) In our opinion, and according to the information and explanations given to us, procedures of physical verification of inventory 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 Inventory. In our opinion, the discrepancies noticed on physical verification of stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.

III. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is 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 inventory and Fixed Assets and for the sale of goods and services. During the course of our audit no major weaknesses has been noticed in the internal controls system in respect of these areas. 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. The Company has not accepted any deposits during the year from the public as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

VI. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

VII. (a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues wherever applicable to it with the appropriate authorities, though there has been a slight delay in few cases. According to information and explanations given to us no undisputed arrears of statutory dues were outstanding as at March 31, 2015 for a period of more than six months from the date they became 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 dispute is pending as under:

SL. No.	Name of the Statute	Nature of Dues	Year	Amounts	Forum where dispute is pending
1	The Income Tax Act, 1961	Income Tax	2000-01	70,04,687	Income Tax Appellate Tribunal

(c) According to the information and explanations given to us and as certified by the management, There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

VIII. *The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year. The Company has incurred cash loss during the financial year and also in the immediately preceding financial year.*

IX. According to the information and explanations given to us and records examined by us, as at the Balance Sheet date the Company has not defaulted in repayment of dues to financial institution or banks or debenture holders.

X. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

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

XII. 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's Registration No. 105049W

Naveen Jain
(Partner)
Membership No. 511596

Place: Mohali
Date: May 30, 2015

BALANCE SHEET AS AT MARCH 31, 2015

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

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I.	**EQUITY AND LIABILITIES**			
(1)	**Shareholders' funds**			
	(a) Share capital	**1**	2,860,714,568	8,371,056,980
	(b) Reserves and surplus	**2**	(16,221,736,417)	(19,328,460,694)
			(13,361,021,849)	**(10,957,403,714)**
(2)	**Non-current liabilities**			
	(a) Long-term borrowings	**3**	5,872,384,786	5,872,384,786
	(b) Other Long term liabilities	**4**	1,191,541,126	1,164,453,211
	(c) Long-term provisions	**5**	53,391,876	47,288,145
			7,117,317,788	**7,084,126,142**
(3)	**Current liabilities**			
	(a) Short-term borrowings	**6**	105,841,002	100,617,465
	(b) Trade payables	**7**	1,163,440,546	1,292,136,597
	(c) Other current liabilities	**8**	11,206,133,077	8,742,825,612
	(d) Short-term provisions	**9**	26,651,057	23,855,724
			12,502,065,682	**10,159,435,398**
	TOTAL		**6,258,361,621**	**6,286,157,826**
II.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	**10**	3,613,726,798	3,704,837,045
	(ii) Intangible assets	**10**	927,396,854	1,267,089,370
	(iii) Capital work-in-progress	**10**	380,804,580	216,949,001
	(b) Non-current investments	**11**	200,000	100,000
	(c) Long-term loans and advances	**12**	159,582,735	109,527,293
			5,081,710,967	**5,298,502,709**
(2)	**Current assets**			
	(a) Inventories	**13**	22,174,669	21,731,869
	(b) Trade receivables	**14**	519,252,788	460,628,664
	(c) Cash and Bank Balance	**15**	186,624,430	99,271,338
	(d) Short-term loans and advances	**16**	447,827,408	402,887,220
	(e) Other current assets	**17**	771,359	3,136,026
			1,176,650,654	**987,655,117**
	TOTAL		**6,258,361,621**	**6,286,157,826**
	See accompanying notes to the financial statement	**1-49**		

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, 2015

For and on behalf of the Board

Mitu Mehrotra Goel
Director
(DIN No. 05188846)

Babu Mohanlal Panchal
Director
(DIN No. 01806193)

Kapil Bhalla
Company Secretary & Manager

Munish Bansal
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2015

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

	Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I.	Revenue from operations	**18**	5,20,79,42,270	4,05,99,51,787
II.	Other income	**19**	3,62,42,827	2,94,37,516
III.	**Total Revenue (I + II)**		**5,24,41,85,097**	**4,08,93,89,303**
IV.	**Expenses:**			
	Network Operation Expenditure	**20**	4,44,20,20,758	3,78,41,23,394
	Employee Benefits Expenses	**21**	80,38,50,303	68,83,00,162
	Sales & Marketing Expenditure	**22**	36,84,44,109	28,10,10,394
	Finance Cost	**23**	26,83,98,724	27,29,98,792
	Depreciation and Amortization Expenses	**10**	1,38,99,58,995	1,26,78,04,957
	Other Expenses	**24**	37,04,42,706	40,67,59,767
	Total expenses		**7,64,31,15,595**	**6,70,09,97,466**
V.	Profit before tax (III- IV)		**(2,39,89,30,498)**	**(2,61,16,08,163)**
VI,	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
VII.	**Profit (Loss) for the year (V- VI)**		**(2,39,89,30,498)**	**(2,61,16,08,163)**
VIII.	Earnings per equity share: (Nominal Value of Rs 1 each)			
	(1) Basic	**37**	(3.92)	(4.27)
	(2) Diluted	**37**	(3.92)	(4.27)
	See accompanying notes to the financial statement	**1-49**		

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, 2015

For and on behalf of the Board

Mitu Mehrotra Goel
Director
(DIN No. 05188846)

Babu Mohanlal Panchal
Director
(DIN No. 01806193)

Kapil Bhalla
Company Secretary & Manager

Munish Bansal
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

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

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year before Prior Year Expenditure and Tax	(2,39,64,18,905)	(2,58,06,85,630)
Adjustments for:	-	-
Depreciation and Amortisation	1,38,99,58,995	1,26,78,04,957
Foreign exchange Loss/ (Gain)	-	(41,73,812)
Loss/ (Gain) on Sold / Discarded Fixed Assets/CWIP	15,13,456	(98,37,752)
Bad Debts Written Off	34,63,445	4,24,21,214
Provision for Doubtful Debts	63,22,733	3,18,72,922
Finance Expenses [Refer Note 3 below]	26,83,98,725	27,29,98,793
Interest Income	(1,27,99,727)	(1,04,77,428)
Operating profit before working capital changes	**(73,95,61,278)**	**(99,00,76,736)**
Adjustment for changes in working capital:		
(Increase) / Decrease in Trade Receivables	(6,84,10,302)	(1,56,71,858)
(Increase) / Decrease in Other Non Current and Current Assets	(3,36,62,925)	(12,71,84,920)
(Increase)/ Decrease in Inventory	(4,42,800)	(47,89,032)
Increase / (Decrease) in Non Current and Current liabilities	2,30,66,60,184	1,77,93,05,260
Cash generated from operations	**1,46,45,82,879**	**64,15,82,714**
Direct Taxes paid (Net)	(1,31,10,254)	(4,16,02,872)
Prior Period (Expense) / Income (Net)	(25,11,595)	(3,09,22,535)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**1,44,89,61,030**	**56,90,57,307**
CASH FLOW FROM INVESTING ACTIVITIES		
Adjustment for changes in:		
Purchase of fixed assets & CWIP	(1,17,59,21,896)	(51,13,39,107)
Proceeds from sale of fixed assets & CWIP	(15,13,456)	1,67,40,758
Purchase of Investment	(1,00,000)	-
Fixed deposits	(7,48,83,812)	15,46,81,596
Interest Received	1,51,64,394	96,81,334
NET CASH USED IN INVESTING ACTIVITIES (B)	**(1,23,72,54,770)**	**(33,02,35,419)**
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Redemable Non Convertible Debentures ('NCDs')	-	-
Increase (Repayment) of Borrowings	52,23,537	(5,80,89,895)
Repayment of Public Deposits	-	-
Interest paid	(20,44,60,516)	(17,70,91,501)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(19,92,36,979)**	**(23,51,81,395)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**1,24,69,281**	**36,40,493**
Cash and Cash Equivalents at the beginning of the year	**7,21,61,746**	**6,85,21,253**
Cash and Cash Equivalents at the end of the year	**8,46,31,026**	**7,21,61,746**
Cash & Cash Equivalents		
Cash in Hand	1,45,10,449	1,78,89,964
Cheques in Hand	70,36,369	59,01,181
In Current Accounts	6,30,84,208	4,72,84,592
In Escrow Accounts*	-	10,86,009
Fixed Deposit Less Than 3 Monts	-	-
Cash & Cash Equivalents	**8,46,31,026**	**7,21,61,746**

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 63,938,209 (March 31, 2014 - Rs 95,907,293) 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

As per our report of even date | **For and on behalf of the Board**

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

Mitu Mehrotra Goel
Director
(DIN No. 05188846)

Babu Mohanlal Panchal
Director
(DIN No. 01806193)

Naveen Jain
Partner
Membership No. 511596

Kapil Bhalla
Company Secretary & Manager

Munish Bansal
Chief Financial Officer

Place : Mohali
Date : May 30, 2015

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 1 - SHARE CAPITAL	As at 31.03.2015	As at 31.03.2014
Authorised:		
12,000,000,000 (March 31, 2014 - 1,200,000,000 equity share of Rs. 10 each) equity shares of Rs 1 each.	12,00,00,00,000	12,00,00,00,000
30,000,000 (March 31, 2014 - 30,000,000) preference shares of Rs 100 each.	3,00,00,00,000	3,00,00,00,000
	15,00,00,00,000	**15,00,00,00,000**
Issued, Subscribed and Paid up :		
612,260,268 (March 31, 2014 - 612,260,268 equity share of Rs. 10 each) equity shares of Rs 1 each fully paid.	61,22,60,268	6,12,26,02,680
6,500,000 (March 31, 2014 - 6,500,000) 2% cumulative redeemable preference shares ('CRPS') of Rs 100 each fully paid.	65,00,00,000	65,00,00,000
15,984,543 (March 31, 2014 - 15,984,543) 2% cumulative redeemable preference shares ('CRPS') of Rs 100 each fully paid.	1,59,84,54,300	1,59,84,54,300
	2,86,07,14,568	**8,37,10,56,980**

(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 32 (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, 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 32 (a), the Company in accordance with the scheme of amalgamation approved by the Hon'ble High Courts 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 31,2014 - 432,000,250) equity shares of Rs 10 each were 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 aforesaid CRPS. Accordingly the CRPS shall be redeemable after the full settlement of dues to term lenders i.e. in financial year 2023-24 as against earlier stipulated repayment 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%.

NOTES FORMING PARTS OF THE ACCOUNTS

(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.

(d) In terms of CDR Package dated August 13, 2009 stipulating the reduction of paid up capital and pursuant to the Order of the Hon'ble Bombay High Court dated July 4, 2014 under Section 100 to 105 of Companies Act, 1956, which was duly registered by the Registrar of Companies, Mumbai on Sept 3, 2014, the paid up value of the 61,22,60,268 equity shares stood reduced from Rs. 10 per share to Re. 1 per share w.e.f. Sept 3, 2014; Consequently, paid up equity share capital also stood reduced from Rs. 612.26 Crore to Rs. 61.22 Crore and the Accumulated Losses were written-off to the extent of Rs. 551.03 Crore on Sept 3, 2014. The trading of Equity Shares with reduced face value of Re.1/- per share has commenced on December 29, 2014 at BSE Ltd.

(e) The details of Shareholders holding more than 5 percent shares as at 31.03.2015 are as under

Name of Share Holder	No. of Shares as at 31.03.2015	% held as at 31.03.2015	No. of Shares as at 31.03.2014	% held as at 31.03.2014
Equity Shares				
Quadrant Enterprises Pvt Ltd.	32,67,05,000	53.36	32,67,05,000	53.36
IDBI Bank Ltd.	11,82,71,641	19.32	11,82,71,641	19.32
Oriental Bank of Commerce	3,80,93,321	6.22	3,90,21,337	6.37
Preference Shares				
IDBI Bank Ltd.	1,05,69,187	47.01	1,05,69,187	47.01
Shree Dhoot Trading & Agencies Ltd.	65,00,000	28.91	65,00,000	28.91
Oriental Bank of Commerce	19,81,254	8.81	19,81,254	8.81
Life Insurance Corporation of India	19,81,165	8.81	19,81,165	8.81

(f) The reconciliation of the number of Shares outstanding as at 31.03.2015 is set out below:

Particulars	Figures As At 31.03.2015	Figures As At 31.03.2014
Number of Equity shares at the beginning	61,22,60,268	61,22,60,268
Add: Shares issued during the year	-	-
Number of shares at the end	**61,22,60,268**	**61,22,60,268**
Number of Preference shares at the beginning	2,24,84,543	2,24,84,543
Add: Shares issued during the year	-	-
Number of shares at the end	**2,24,84,543**	**2,24,84,543**

NOTE 2 - RESERVE AND SURPLUS	As at 31.03.2015	As at 31.03.2014
Capital Reserve:		
Balance at the beginning and end of the year	3,40,32,776	3,40,32,776
Securities Premium		
Balance at the beginning and end of the year	2,26,33,732	2,26,33,732
Statutory Reserve		
Balance at the beginning and end of the year	1,19,00,000	1,19,00,000
Profit & Loss A/c:		
Opening Balance	(19,39,70,27,202)	(16,78,54,19,039)
Add: Carrying amount of the Assets with the remaining useful is Nil as per Schedule II of Companies Act 2013	(46,87,636)	-
Less: Reduction in Share Capital	5,51,03,42,411	-
Add: Transfer from Statement of Profit & Loss	(2,39,89,30,498)	(2,61,16,08,163)
Closing Balance	(16,29,03,02,925)	(19,39,70,27,202)
Total	**(16,22,17,36,417)**	**(19,32,84,60,694)**

NOTES FORMING PARTS OF THE ACCOUNTS

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 Company ('NBFC') under the Certificate of Registration ('CoR') No 07.00222 dated April 18, 1998. Further, as more fully discussed in Note 42, 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.

NOTE 3 - LONG TERM BORROWING	**As at 31.03.2015**	**As at 31.03.2014**
Secured		
Redemable Secured Non Convertible Debentures (NCDs) Pursuant to Revised CDR	3,19,69,08,800	3,19,69,08,800
Unsecured		
Zero per cent Non Convertible Debentures ('NCDs') (erstwhile OFCDs)	16,67,76,100	16,67,76,100
Loans from Body Corporate [Refer Note 34 (d)]	2,50,86,99,886	2,50,86,99,886
Total	**5,87,23,84,786**	**5,87,23,84,786**

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 33 (a).

c. Redemption Schedule of the Secured Non Convertible Debentures.

Financial Year	Amount of Non Convertible Debenture
2017	31,96,90,904
2018	31,96,90,904
2019	63,93,81,809
2020	63,93,81,809
2021	63,93,81,809
2022	63,93,81,809

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, then at par on March 31, 2016, are now redeemable at par on March 31, 2024 after repayment of the term loans as per CDR Schemes.

NOTE 4 - OTHER LONG TERM LIABILITIES	**As at 31.03.2015**	**As at 31.03.2014**
Interest accrued but not due on borrowings	92,76,30,429	86,36,92,220
Security Deposits		
- From Subscribers	1,37,45,830	1,43,02,792
- From Others	4,73,48,116	4,43,27,591
Advance From Customers and Unaccrued Income	20,28,16,751	24,21,30,608
Total	**1,19,15,41,126**	**1,16,44,53,211**

NOTE 5 - LONG TERM PROVISIONS	**As at 31.03.2015**	**As at 31.03.2014**
Provision for employee benefits.		
Leave Encashment / Availment	2,94,71,569	2,55,79,299
Gratuity	2,39,20,307	2,17,08,846
Total	**5,33,91,876**	**4,72,88,145**

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 6 - SHORT TERM BORROWINGS	As at 31.03.2015	As at 31.03.2014
Secured		
Working Capital Loan from Scheduled Banks	10,58,41,002	10,06,17,465
Total	**10,58,41,002**	**10,06,17,465**

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 33 (a).

NOTE 7 - TRADE PAYABLE	As at 31.03.2015	As at 31.03.2014
Due to Micro / Small & Medium Enterprises	4,05,264	3,37,208
Due to others	1,16,30,35,282	1,29,17,99,389
Total	**1,16,34,40,546**	**1,29,21,36,597**

NOTE 8 - OTHER CURRENT LIABILITIES	As at 31.03.2015	As at 31.03.2014
Advances from Customers and Unaccrued Income	32,49,47,860	30,34,40,752
Other Advances	9,16,55,86,433	6,84,66,46,047
For Capital Goods	1,66,64,10,360	1,51,33,47,513
Book Bank Overdraft	1,47,063	29,65,965
Statutory Dues Payable	4,88,59,493	7,58,99,466
Other liabilities	1,81,868	5,25,869
Total	**11,20,61,33,077**	**8,74,28,25,612**

NOTE 9 - SHORT TERM PROVISIONS	As at 31.03.2015	As at 31.03.2014
Provision for employee benefits.		
Leave Encashment / Availment	2,38,77,741	2,25,73,761
Gratuity	27,73,316	12,81,963
Total	**2,66,51,057**	**2,38,55,724**

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note 10: FIXED ASSETS

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
TANGIBLE ASSETS	As at 01.04.2014	Additions during the period	Sale/ Adjustment during the period	As at 31.03.2015	As at 01.04.2014	Retained Earning* for the period	Depreciation for the period	On Sale/ Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Land - Freehold	1,61,42,623	-	-	1,61,42,623	-	-	-	-	-	1,61,42,623	1,61,42,623
Land - Leasehold	88,96,419	-	-	88,96,419	13,85,469	-	92,160	-	14,77,629	74,18,790	75,10,950
Building	18,93,40,334	13,75,656	-	19,07,15,990	4,69,20,071	-	37,38,940	-	5,06,59,011	14,00,56,979	14,24,20,263
Leasehold Improvements	8,21,91,461	8,51,274	-	8,30,42,735	7,35,36,719	-	23,32,395	-	7,58,69,114	71,73,621	86,54,742
Network Equipment	6,12,80,69,789	73,47,63,080	-	6,86,28,32,869	3,72,40,03,344	-	49,41,08,883	-	4,21,81,12,227	2,64,47,20,642	2,40,40,66,445
Optical Fibre Cable and Copper Cable	4,62,49,68,845	5,29,65,142	-	4,67,79,33,987	3,73,92,69,490	-	40,43,60,522	-	4,14,36,30,012	53,43,03,975	88,56,99,355
Telephone Instruments at Customers Premises	39,47,77,273	12,53,63,511	-	52,01,40,784	27,13,32,325	-	5,40,75,133	-	32,54,07,458	19,47,33,327	12,34,44,948
Computers	32,22,68,882	2,02,62,354	94,89,698	33,30,41,538	22,26,14,031	31,64,350	5,95,10,610	94,89,698	27,57,99,294	5,72,42,244	9,96,54,851
Office Equipment	4,86,32,847	23,92,865	-	5,10,25,712	4,02,97,043	15,23,285	58,52,911	-	4,76,73,239	33,52,473	83,35,804
Furniture & Fixture	4,79,27,979	12,99,522	-	4,92,27,501	4,05,05,545	-	12,19,462	-	4,17,25,007	75,02,494	74,22,434
Vehicles	1,64,36,294	-	-	1,64,36,294	1,49,51,664	-	4,05,000	-	1,53,56,664	10,79,630	14,84,630
Sub Total	**11,87,96,52,746**	**93,92,73,404**	**94,89,698**	**12,80,94,36,452**	**8,17,48,15,701**	**46,87,636**	**1,02,56,96,016**	**94,89,698**	**9,19,57,09,655**	**3,61,37,26,798**	**3,70,48,37,045**
Previous Year	**11,40,24,90,684**	**52,35,99,058**	**4,64,36,998**	**11,87,96,52,745**	**7,30,61,33,374**		**90,82,16,324**	**3,95,33,992**	**8,17,48,15,706**	**3,70,48,37,045**	**4,09,63,57,316**

	GROSS BLOCK				AMORTISATION					NET BLOCK	
INTANGIBLE ASSETS	As at 01.04.2014	Additions during the period	Sale/ Adjustment during the period	As at 31.03.2015	As at 01.04.2014	Retained Earning for the period	Amortisation for the period	On Sale/ Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Computer Software	29,85,81,946	2,15,70,462	-	32,01,52,408	21,52,69,729	-	2,58,76,373	-	24,11,46,102	7,90,06,306	8,33,12,217
Licence Entry Fees	2,35,26,58,603	30,00,000	-	2,35,56,58,603	1,87,55,33,203	-	13,60,90,222	-	2,01,16,23,425	34,40,35,179	47,71,25,400
Licence Entry Fees GSM	1,51,75,00,000	-	-	1,51,75,00,000	81,08,48,247	-	20,22,96,384	-	1,01,31,44,631	50,43,55,369	70,66,51,753
Sub Total	**4,16,87,40,549**	**2,45,70,462**	**-**	**4,19,33,11,011**	**2,90,16,51,179**	**-**	**36,42,62,979**	**-**	**3,26,59,14,158**	**92,73,96,854**	**1,26,70,89,370**
Previous Year	**4,11,53,49,970**	**5,33,90,579**	**-**	**4,16,87,40,549**	**2,54,20,62,545**		**35,95,88,633**	**-**	**2,90,16,51,178**	**1,26,70,89,372**	**1,57,32,87,425**
Grand Total	**16,04,83,93,295**	**96,38,43,866**	**94,89,698**	**17,00,27,47,463**	**11,07,64,66,880**	**46,87,636**	**1,38,99,58,995**	**94,89,698**	**12,46,16,23,813**	**4,54,11,23,652**	**4,97,19,26,415**
Capital Work-In-Progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**38,08,04,580**	**21,69,49,001**

*** As per the new Companies Act 2013, the remaining useful life of the assets as at 01-April'2014 is Nil, remaining WDV of assets is recognized in the Opening Retained Earning.**

a. Capital Work in Progress includes Goods in Transit of Rs. 10,328,966 (March 31, 2014 Rs. Nil)

b. As on March 31,2015 telephone instruments aggregating to a net book value of Rs 174,066,836 (March 31, 2014 – Rs. 109,135,698) and other assets aggregating to net book value of Rs 888,832,153 (March 31, 2014 – Rs 1,018,995,267) are located at customer premises, other parties and at other operator's sites, respectively.

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 11 - NON CURRENT INVESTMENTS	As at 31.03.2015	As at 31.03.2014
Investment in Wholly Owned Subsidiary Company:(Unquoted)		
10,000 [March 31, 2014 - 10,000] equity shares of Rs 10 each fully paid in Infotel Tower Infrastructure Private Limited	1,00,000	1,00,000
10,000 [March 31, 2014 - Nil] equity shares of Rs 10 each fully paid in Quadrant Telenet Services Private Limited	1,00,000	-
Total	**2,00,000**	**1,00,000**

During the year ended March 31, 2015, the Company incorporated one wholly owned Subsidiary Company, Quadrant Telenet Services Private Limited by acquiring 9,999 shares in its name and 1 share by Director as beneficial owner.

NOTE 12 - LONG TERM LOANS AND ADVANCES	As at 31.03.2015	As at 31.03.2014
Unsecured, considered good		
Capital Advances	5,05,27,403	23,04,952
Security Deposits	7,67,49,085	6,52,99,525
Advances Recoverable in cash or in kind or for value te be received	3,23,06,247	4,19,22,816
Doubtful		
Security Deposits	11,86,199	11,86,199
Advances Recoverable in cash or in kind or for value te be received	8,02,642	8,02,642
Less: Provision For Doubtful Advances	(19,88,841)	(19,88,841)
Total	**15,95,82,735**	**10,95,27,293**

NOTE 13 - INVENTORIES	As at 31.03.2015	As at 31.03.2014
Inventory held for installation and maintenance of network	2,21,74,669	2,17,31,869
Total	**2,21,74,669**	**2,17,31,869**

NOTE 14 - TRADE RECEIVABLES	As at 31.03.2015	As at 31.03.2014
Trade Receivables Outstanding for a period exceeding six months:		
Secured, Considered Good	39,72,421	40,30,981
Unsecured, Considered Good	2,49,36,834	2,80,37,544
Doubtful	17,07,46,961	18,17,92,272
Others		
Secured, Considered Good	13,87,060	7,73,273
Unsecured, Considered Good	48,89,56,473	42,77,86,866
Doubtful	1,08,65,077	1,21,82,535
	70,08,64,826	**65,46,03,471**
Less: Provision for Doubtful Trade Receivables	(18,16,12,038)	(19,39,74,807)
Total	**51,92,52,788**	**46,06,28,664**

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

b) Includes Rs 161,183,797 (March 31, 2014 - Rs 134,557,517) of unbilled revenues, the invoices for which have been raised subsequent to March 31, 2015 [Refer Note 26 (2.11)].

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 15 - CASH AND BANK BALANCE	As at 31.03.2015	As at 31.03.2014
Cash & Cash Equivalents		
Cash in Hand	1,45,10,449	1,78,89,964
Cheques in Hand	70,36,369	59,01,181
In Current Accounts	6,30,84,208	4,72,84,592
In Escrow Accounts	-	10,86,009
Fixed Deposit Less Than 3 Monts	-	-
Other Bank Balance*		
Fixed Deposit More Than 3 Monts but Less than 12 Months	10,19,93,404	2,71,09,592
Fixed Deposit More Than 12 Months	-	-
Total	**18,66,24,430**	**9,92,71,338**

*Balances with banks to the extent held as margin money are of Rs. 101,993,404 (March 31, 2014 Rs. 27,109,592).

NOTE 16 - SHORT TERM LOANS & ADVANCES	As at 31.03.2015	As at 31.03.2014
Unsecured, considered good		
Loans and advances to Related Parties (Infotel Tower Infrastructure Private Limited)	3,07,82,214	2,88,93,325
TDS Recoverable	17,69,38,959	16,38,28,705
Balance with Customs, Excise and Service Tax	17,87,28,983	15,37,89,081
Advances Recoverable in cash or in kind or for value te be received	6,13,77,252	5,63,76,109
Total	**44,78,27,408**	**40,28,87,220**

NOTE 17 - OTHER CURRENT ASSETS	As at 31.03.2015	As at 31.03.2014
Interest Accrued on Fixed Deposits	7,71,359	31,36,026
Total	**7,71,359**	**31,36,026**

NOTE 18 - REVENUE FROM OPERATIONS	For the year ended 31.03.2015	For the year ended 31.03.2014
Sale of services;		
From Unified Access Services	2,86,66,64,266	2,28,44,13,998
From interconnection Usage Services	51,10,15,588	32,27,92,583
From Infrastructure Services	8,19,75,029	6,46,79,611
From Internet Services	1,74,82,87,387	1,38,80,65,595
Total	**5,20,79,42,270**	**4,05,99,51,787**

NOTE 19 - OTHER INCOME	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest Income (including TDS Rs 325,369 (March 31, 2014 - Rs 788,232)	1,27,99,727	1,04,77,428
Sale of Scrap	72,27,595	41,11,405
Rental Income	1,31,08,690	1,24,77,241
Miscellaneous Income	31,06,815	23,71,442
Total	**3,62,42,827**	**2,94,37,516**

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 20 - NETWORK OPERATION EXPENDITURE	For the year ended 31.03.2015	For the year ended 31.03.2014
Interconnect Usage Charges	2,48,92,03,462	1,98,00,90,762
Other Value Added Service charges	6,72,92,451	5,03,98,080
Port Charges	1,73,90,809	2,18,38,917
Testing and Technical Survey Expenses	40,000	-
Licence Fees on Revenue Share Basis	21,41,98,657	20,96,92,594
Royalty and Licence Fees to Wireless Planning Commission	1,87,38,364	2,66,61,877
Stores and Spares Consumed	10,16,66,591	8,52,79,512
Rent Node site	6,04,81,997	4,64,53,502
Infrastructure Sharing Rent	57,76,08,841	54,06,43,701
Electricity and Water -Network	40,06,33,630	37,35,81,505
Security Charges	13,18,294	10,81,980
Repair & Maintenance - Network	39,83,67,303	35,03,40,945
Bandwidth Charges	9,50,80,359	9,80,60,019
Total	**4,44,20,20,758**	**3,78,41,23,394**

NOTE 21 - EMPLOYEE BENEFIT EXPENSES	For the year ended 31.03.2015	For the year ended 31.03.2014
Salaries, Wages and Bonus	75,32,22,649	64,40,48,647
Employer's Contribution to Provident and other Funds	1,75,63,544	1,50,21,657
Leave Encashment / Availment	62,37,697	60,16,578
Gratuity	65,02,814	50,94,634
Staff Welfare Expenses	1,84,10,723	1,49,39,337
Recruitment & Training Expenses	19,12,876	31,79,309
Total	**80,38,50,303**	**68,83,00,162**

NOTE 22 - SALES & MARKETING EXPENDITURE	For the year ended 31.03.2015	For the year ended 31.03.2014
Sales and Business Promotion	7,33,67,894	4,62,77,858
Advertisement Expenses	10,72,29,393	9,31,37,599
Customers Acquisition Costs	18,78,46,822	14,15,94,937
Total	**36,84,44,109**	**28,10,10,394**

NOTE 23 - FINANCE COSTS	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest Charges		
to Banks	57,74,535	1,08,51,157
to Non Convertible Debentures	25,57,52,768	25,57,52,754
to Others	1,48,983	3,93,115
Bank Guarantee Commission	36,25,352	35,78,196
Trustees Fee	7,50,000	7,50,000
Monitoring Fees	10,00,000	10,00,000
Other Finance Charges	13,47,086	6,73,570
Total	**26,83,98,724**	**27,29,98,792**

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 24 - OTHER EXPENSES		For the year ended 31.03.2015	For the year ended 31.03.2014
Foreign exchange fluctuation		-	72,27,687
Payments to the auditor			
Audit Fees		17,50,000	17,50,000
Tax Audit Fees		4,80,000	4,80,000
Other services		2,40,000	3,75,000
Reimbursement of expenses		65,769	1,21,859
Prior period Adjustments		25,11,595	3,09,22,535
Legal and Professional Expenses		1,33,43,089	1,51,49,767
Travelling and Conveyance		10,71,79,039	9,60,78,071
Communication Expenses		67,96,052	24,34,476
Rent		2,93,25,813	2,66,37,861
Security Charges		1,06,89,512	86,38,190
Repairs and Maintenance - Building		4,03,855	11,11,131
Repairs and Maintenance - Others		1,90,95,308	1,43,53,965
Electricity and Water		2,63,92,556	2,34,53,553
Insurance		80,14,021	21,03,382
Rates and Taxes		93,72,532	90,26,625
Freight & Cartage		1,02,66,781	65,43,948
Printing and Stationary		33,12,516	31,48,277
Billing and Collection Expenses		10,31,01,909	8,66,21,649
Directors' Fees		2,06,720	2,21,720
Loss/ (Gain) on sale and Discarded of Fixed Assets/CWIP		15,13,456	(98,37,752)
Bad Debts Written off	2,21,48,947		
Less: Provision for Doubtful Debts	(1,86,85,502)	34,63,445	4,24,21,214
Provision for Doubtful Debts		63,22,733	3,18,72,922
Miscellaneous Expenses		65,96,005	59,03,687
Total		**37,04,42,706**	**40,67,59,767**

NOTE 25 - CONTINGENT LIABILITIES	As at 31.03.2015	As at 31.03.2014
Estimated value of contracts remaining to be executed on capital account and not provided for net of capital advances Rs. 50,527,403 (March 31, 2014 Rs. 2,304,952)	18,92,88,497	11,30,14,325
Bank Guarantees given against Bid Bonds/Performance/Advance		
Financial Bank Guarantees	8,57,74,849	8,60,62,345
Performance Bank Guarantees	7,27,66,500	5,29,63,000
Open Letter of Credits (Margin Deposit Rs. Nil [March 31, 2014 - Rs. Nil]	-	-
Income tax matters under appeal Principal Amount [Refer Note 27 (a)]	70,04,687	70,04,687
Income tax matters under appeal Interest Amount [Refer Note 27 (a)]	81,95,484	73,54,921
Claims against the Company not acknowledged as debts	89,54,521	97,80,973
Dividend on 2% cumulative redeemable preference shares ('CRPS') of Rs 1,598,454,300	19,18,14,516	15,98,45,430
Others [Refer Note 27 (b, c, d, e, f, g, h, i, j and k)]	2,01,11,92,001	1,52,22,33,377
Total	**2,57,49,91,055**	**1,95,82,59,058**

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, 2015, the Company has an active subscriber base of over 3,119,797.

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.

2. **Summary of significant accounting policies**

2.1 **Basis of preparation of Financial Statements**

The Financial Statements are prepared and presented under historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirement of Companies Act 2013, including the mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rule 2006.

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 60 years
Leasehold Improvements	10 years or over the lease term, whichever is lower
Network Equipment (other than batteries) Batteries (i)	9.67 years 5 years
Testing Equipments (included in Network Equipments)(i)	5 years
Optical Fibre Cable and Copper Cable (i)	15 years
Telephone Instruments	5 years
Computers	3 years
Software	5 years
Office Equipments	5 years
Furniture and Fixture	10 years, except in case issued to employees, where asset is depreciated in 5 years
Vehicles-Motorcars (i)	4 years
Fixed Assets costing less than Rs 5,000 (other than Telephone Instruments)	Fully depreciated when they are ready for use.

(i) For these classes of assets based on internal assessment and technical evaluation, the management believes that the useful lives as given above best represent the period over which the Management experts to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of Companies Act 2013.

(ii) Depreciation on the amount capitalized on up-gradation of the existing assets 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 recognized 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 comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.20 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is provable that there will be an out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

27. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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. 8,195,484 (March 31, 2014 – Rs 7,004,687 as Principal amount and Interest amount of Rs 7,354,921).

(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. BSNL went for appeal in Hon Supreme Court vide CA No-7435 of 2010.The matter is yet to be listed in SC for hearing. 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 period ended March 31, 2015.

(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 period ended March 31, 2015.

(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 BSNL went for appeal in Hon Supreme Court vide C.A No 5834-5836 of 2005 BSNL Vs ABTO & Others. The matter was Tagged with CA-5253 of 2010 to decide the preliminary objection raised by TRAI on the TDSAT"s jurisdiction. Next date of hearing awaited. 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 period ended March 31, 2015.

(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 period ended March 31, 2015.

(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 vide C,A No 271-281 of 2011. 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 non-compliance with Electro Magnetic Frequency Radiation Norms ('EMF Radiation Norms') prescribed by DOT. The Company on May 21, 2013 has represented to DOT that the Company is fully compliant with the specified limits of the EMF Radiation Norms and the Company has also submitted the 'Self Certifications' in respect of all the 204 Base Transceiver Station ('BTS') 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. Company filled petition in TDSAT vide petition No.294 of 2013.The matter tagged with Petition No 271 of 2013 and the arguments are over in the case and the order is reserved. The Company is confident that no such liability will arise and no further communication is received from DOT with this regard.

(i) 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 for Emission Magnetic Frequency ("EMF') radiation norms with respect to 647 Base Transreceiver Stations ('BTSs') as per list attached with 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, in reply to above, the Term Cell has now issued an amended Show Cause Notice vide letter no. 8-8/EMR-QTL/TERM-PB/2013/24C dated August 7, 2014 superseding its earlier Show Cause Notice and revising the amount of penalty to Rs. 2,670,00,000 for 534 BTS sites (in place of earliesr show cause demanding 32,35,00,000 for 647 BTS sites). We filed a case in TDSAT and the matter is listed vide Petition No. 423 of 2014.

(j) BSNL had raised demand of Rs. 269,000,000 on the Company under Clause 6.4.6 of the Interconnect Agreement in connection with the FWT Services being provided by the Company. The Company had challenged the demand through Petition No. 232 of 2006. The TDSAT vide order dated 21-05-2010 had set aside the demand raised by BSNL. BSNL therefore filed an Appeal the Hon'ble Supreme Court.

(k) The Company is in receipt of a Show Cause Notice for assessment of Spectrum Charges 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 2012-13 amounting to Rs 3,028,932 vide letter no. 17-8/2014/LFA-Quadrant dated April 20, 2015. 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. The company is also in receipt of demand of Spectrum Charges of the year 2012-13 in respect of CDMA service amounting to Rs. 6,279,256 vide letter no. Spec/2013-14/538 and GSM Service amounting to Rs. 229,12,294 vide letter no. Spec/2013-14/540 dated July 25, 2014 on account of MWA spectrum charges. The Company has made a written representation for vide letter no. QTL/Spectrum/12-13/04 for CDMA and QTL/Spectrum/12-13/05 for GSM. The Company is confident that no liability would accrue regarding the same in future.

(l) The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities / Statutory Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.

(m) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.

(n) As at March 31, 2015 the Company did not have any outstanding long term derivative contracts.

28. During the year ended March 31, 2015, the Company has incurred losses of Rs 2,398,930,498/- resulting into accumulated loss of Rs 16,290,302,925/- as at March 31,

2015 which has completely eroded its net worth and has a net current liability of Rs 11,325,415,028/-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.

29. In the opinion of the Board and to the best of their knowledge and belief, the value of realization in respect of the Current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of amount reasonably required.

30. In absence of any taxable income, no provision for the current tax has been made. Also, in view of losses and unabsorbed depreciation, considering the grounds of prudence, deferred tax assets is recognized to the extent of deferred tax liabilities and balance deferred tax assets have not been recognized in the books of accounts.

31. The Company has carried out Impairment Test on its Fixed Assets as on March 31, 2015 and the Management is of the opinion that there is no asset for which impairment is required to be made as per Accounting Standard-28 on Impairment of Assets issued by ICAI . (Previous year Rs. Nil).

32. **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 1/- 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, 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.

c. Out of the total paid up equity share capital comprising of 612,260,268 equity shares, , 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.

d. 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.

e. Pursuant to the stipulation of CDR package dated August 13, 2009 with respect to Reduction of Issued, Subscribed & Paid up Equity Share Capital the face value of the Paid Up Equity Shares was required to be reduced to Re. 1 per equity share (from the 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 had filed the Reduction of Equity Share Capital Petition with Hon'ble Bombay High Court on March 20, 2014.

f. The Hon'ble Bombay High Court vide its Order dated July 4, 2014 approved the petition of the Company for Reduction of Equity Share Capital. Subsequently, the Registrar of Companies, Mumbai vide its Order dated September 3, 2014 registered the aforesaid order of Hon'ble Bombay High Court. The Reduction of Capital (in terms of the CDR Package) was duly effected in the Books of Accounts of the Company and had also been effected in the "Listed Equity Share Capital" on BSE Ltd. after updation by NSDL and CDSL and Trading in respect of the reduced equity share capital comprising of 61,22,60,268 equity shares with the reduced face value and paid up value of Re. 1/- per share, had commenced on BSE Ltd. w.e.f. December 29, 2014.

33. **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 complied with all the terms and conditions of Corporate Debt Restructuring Scheme as approved by the CDR Cell letter dated August 13, 2009.

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.

34. **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 'NCD's earlier redeemable at par on March 31, 2014, then at par on March 31, 2016, are now redeemable at par on March 31, 2024 after repayment of the term loans as per CDR Schemes.

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 IDPL 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, 2015, 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, 2015, 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, 2015, 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.

35. Trade Payables include amount payable to Micro and Small Enterprises as at March 31, 2015 of Rs 405,264 (March 31, 2014 – Rs. 337,208). 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, 2015 is as under –

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Principal amount	405,264	337,208
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.	-	-

36. The Company had received advance of Rs 9,164,986,433 (March 31, 2014 Rs. 6,846,046,047) 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.

37. **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 31.03.2015	For the year ended 31.03.2014
Loss for the year (in Rs)	2,398,930,498	2,611,608,163
Weighted average number of equity shares	612,260,268	612,260,268
Nominal value per equity share (in Rs)	1	10
Earning per share – basic and diluted (in Rs)	(3.92)	(4.27)

38. **Operating leases**

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, 2015 is Rs 89,807,810 (March 31, 2014 – Rs 74,465,642).

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 577,608,841 (March 31, 2014 – Rs 540,809,201) towards infrastructure sharing expenses.

Further lease payments under non-cancellable operating leases are as follows:-

Particulars	As at 31.03.2015	As at 31.03.2014
Payable not later than one year	442,749,892	571,453,695
Payable later than one year and not later than five years	837,970,817	1,010,592,051
Payable more than five years	88,984,103	152,437,755
Total	**1,369,704,812**	**1,734,483,501**

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.

Company as a Lessor

a. 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 30,239,700 (March 31, 2014– Rs 13,299,070) towards site sharing revenue.

b. 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 51,735,329 (March 31, 2014– Rs 51,380,540) has been recognized in the Statement of Profit and Loss for the period ended March 31, 2015.

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 31.03.2015	As at 31.03.2014
Receivable not later than one year	38,806,906	38,806,906
Receivable later than one year and not later than five years	135,723,186	155,227,625
Receivable later than five years	64,650,304	83,952,771
Total	**239,180,396**	**277,987,302**

39. With effect from April 01, 2014, the company has revised the useful life of some of its fixed assets to comply with the useful life as prescribed by schedule II to the Companies Act, 2013. As per Note 7 of Part C of Schedule II to the Companies Act, 2013 the carrying amount of the asset as on the date has to be depreciated over the remaining prescribed useful life of the assets. In case of fixed assets where the use full life was Nil as at April 01, 2014, the Company has adjusted the net residual value aggregating to Rs. 4,687,636 from retained earnings. Further, due to change in rate of depreciation as per Schedule II of the Act during the year, the depreciation for the year is higher by Rs. 89,51,674 and loss is higher by Rs. 89,51,674.

40. **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.

41. **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 Private Limited	Holding Company
Infotel Tower Infrastructure Private Limited	100% Wholly Owned Subsidiary
Quadrant Telenet Services Private Limited	100% Wholly Owned Subsidiary
Connect Teleinfra Private Limited	100% Wholly Owned Subsidiary
Mr. Kapil Bhalla (Company Secretary & Manager)	Key Managerial Persons (KMPs)
(Chief Financial Officer) Mr. Sunil Jit Singh from 01-04-2014 to 22-11-2014 Mr. Ashu Ratan Khare 22-11-2014 to 15-04-2015 Mr. Munish Bansal w.e.f. 15-04-2015	Key Managerial Persons (KMPs)

b) **Transactions / Outstanding balances with Related Parties.**

	2014-15		2013-14	
Particulars	**Wholly Owned Subsidiary ***	**KMP**	**Wholly Owned Subsidiary**	**KMP**
Sale of Material	240,999	--	162,340	--
Debit notes received by us	9,294,096	--	177,715	--
Credit note received by us	8,307	--	76,500	--
Purchase of Services	217,173,448	--	173,535,801	--
Reimbursement of Expenses	--	--	--	
Remuneration paid**	--	4,415,496	--	4,605,462
Payment made by Company	251,642,296	4,415,496	184,810,084	4,605,462
Closing Balance as at Balance Sheet date				
Amount receivable	30,782,214	--	28,893,325	--

* All transactions with wholly owned subsidiary are with Infotel Tower Infrastructure Private Limited.

** Managerial remuneration (inclusive of employer's PF contribution and gratuity) paid to key management personnel include Rs 2,749,695 (March 31, 2014 – Rs 3,017,365) paid to Chief Financial Officer and Rs 1,665,800 (March 31, 2014 – Rs 1,588,097) paid to Manager.

42. **Unclaimed deposits from public**

The Company had surrendered its NBFC licence granted by the Reserve Bank of India ('RBI') for carrying out the NBFC business during the year ended March 31, 2004. All the unpaid / unclaimed deposits as on September 15, 2003 and the interest accruing thereon as on that date, were transferred to an Escrow Account in February 2004. On August 10, 2004, the Company obtained the approval of the shareholders for the removal of NBFC related objects from the Memorandum of Association. Further, the Company also submitted a letter dated July 7, 2004 for compliance and RBI vide its letter dated July 30, 2004 gave some concessions from compliance and advised the Company to follow certain instructions till the balance in the escrow account is settled. The entire amount lying in the Escrow Account has either been repaid to the Depositors or transferred to the Investor Education and Protection Fund of the Central Government.

The entire amount lying in the Escrow Account with the Oriental Bank of Commerce, Mumbai has either been repaid to the Depositors or transferred to the Investor Education and Protection Fund of the Central Government on the due date. During the year, an amount of Rs.10,86,059/- which was credited by the Bank into the Escrow Account has also been transferred to the Investor Education and Protection Fund.

43. **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, 2015, the Company has incurred loss of Rs 2,398,930,498. 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.

44. **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 March 31, 2015	For the year ended March 31, 2014
Employer's Contribution to Provident Fund *	17,006,466	14,557,001
Employer's Contribution to ESI *	557,078	464,656

* 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	2014-15 Gratuity	2014-15 Leave Encashment	2013-14 Gratuity	2013-14 Leave Encashment
Current service cost	4,856,648	14,247,882	4,045,628	9,351,386
Interest cost	2,322,490	4,560,681	1,809,554	3,575,129
Expected Return on plan assets	(115,918)	-	(75,223)	-
Actuarial (gain) / loss	(560,406)	(11,082,897)	(685,325)	(3,703,699)
Past service cost	-	-	-	-
Curtailment and Settlement cost / (credit)	-	-	-	-
Net cost	**6,502,814**	**7,725,666**	**5,094,634**	**9,222,816**

The Company expects to contribute Rs. 8,25,00,000 towards employers' contribution for funded defined benefit plans in 2015-16.

b. The assumptions used to determine the benefit obligations are as follows:

Particulars	2014-15 Gratuity	2014-15 Leave Encashment	2013-14 Gratuity	2013-14 Leave Encashment
Discount Rate	8.00%	8.00%	9.00%	8.00%
Expected Rate of increase in Compensation levels	6.00%	6.00%	7.00%	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)	7.86 Years	7.86 Years	7.93 Years	7.95 Years

c. Reconciliation of opening and closing balances of benefit obligations and plan assets

Particulars	2014-15 Gratuity	2014-15 Leave Encashment	2013-14 Gratuity	2013-14 Leave Encashment
Change in Projected Benefit Obligation (PBO)				
Projected benefit obligation at beginning of year	23,847,153	48,038,355	20,971,100	40,435,806
Current service cost	4,856,648	14,247,882	4,045,628	9,351,386
Interest cost	2,322,490	4,560,681	1,809,554	3,575,129
Benefits paid	(2,759,869)	(2,905,225)	(2,306,817)	(1,473,216)
Past service cost	-	-	-	(147,051)
Actuarial (gain) / loss	(517,419)	(11,082,897)	(672,312)	(3,703,699)
Projected benefit obligation at year end	**27,749,003**	**52,858,796**	**23,847,153**	**48,038,355**
Change in plan assets :				
Fair value of plan assets at beginning of year	856,344	-	574,925	-
Expected return on plan assets	115,918	-	75,223	-

Actuarial gain / (loss)	42,987	-	13,013	-
Employer contribution	-	-	-	-
Contribution by plan participants	2,800,000	-	2,500,000	-
Settlement cost	-	-	-	-
Benefits paid	(2,759,869)	-	(2,306,817)	-
Fair value of plan assets at year end	**1,055,380**	**-**	**856,344**	**-**
Net funded status of the plan	**(26,693,623)**	**(52,858,796)**	**(22,990,809)**	**(48,038,355)**
Net amount recognized	**(26,693,623)**	**(52,858,796)**	**(22,990,809)**	**(48,038,355)**

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair value of plan assets :				
Fair value of plan assets at beginning of year	856,344	-	574,925	-
Actual return on plan assets	158,905	-	88,236	-
Employer contribution	2,800,000	-	2,500,000	-
Contribution by plan participants	-	-	-	-
Settlement cost	-	-	-	-
Benefits paid	(2,759,869)	-	(2,306,817)	-
Fair value of plan assets at year end	**1,055,380**	**-**	**856,344**	**-**

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		
	2014-15	2013-14	2012-13	2014-15	2013-14	2012-13
Defined benefit obligation	27,749,003	23,847,153	20,971,100	52,858,796	48,038,355	24,206,846
Plan assets	1,055,380	856,344	574,925	-	-	-
Surplus / (deficit)	(26,693,623)	(22,990,809)	(20,396,175)	(52,858,796)	(48,038,355)	(24,206,846)
Experience adjustments on plan liabilities	-	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-	-

45. **Expenditure in foreign currency** (on accrual basis)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Travel Expenses	500,040	28,975
Others	1,441,770	3,241,782
Total	**19,41,810**	**3,270,757**

46. **CIF value of imports**

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Import of capital equipment (other than telephone instruments)	154,567,430	9,077,061
Import of telephone instruments	9,624,426	10,334,768
Components and Spares	588,101	868,606
Total	**164,779,956**	**20,280,435**

47. **Consumption of Stores & Spares**

Particulars	For the year ended 31.03.2015		For the year ended 31.03.2014	
	Value	%	Value	%
Indigenous	100,367,058	98.72	84,357,827	98.92
Imported	1,299,533	1.28	921,685	1.08
Total	**101,666,591**	**100.00**	**85,279,512**	**100.00**

48. Balances of some of the trade receivables and trade payables are subject to confirmations from the respective parties and consequential reconciliations/adjustments arising there from, if any. The management however doesn't expect any material variances.

49. 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

For and on behalf of the Board of Directors

Naveen Jain
Partner
Membership No.511596

Mitu Mehrotra Goel
Director
(DIN No. 05188846)

Babu Mohanlal Panchal
Director
(DIN No. 01806193)

Kapil Bhalla
Company Secretary & Manager

Munish Bansal
Chief Financial Officer

Place : Mohali
Date : May 30, 2015

AUDITORS' REPORT

TO THE MEMBERS OF
QUADRANT TELEVENTURES LIMITED

1. **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Quadrant Televentures Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements" (CFS)).

2. **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

5. **Emphasis of Matters**

(a) In case of Holding Company we draw attention to Note No. 29(a) to the financial statements, the Company has incurred a net loss of Rs. 2,398,930,498/- during the year, the accumulated losses as at March 31, 2015 amounted to Rs. 16,290,302,925/- resulting in, the erosion of its net worth and has net current liabilities of Rs. 11,325,415,028/- as at March 31, 2015. 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 case of subsidiary Company ITIPL, We draw attention to Note 29(b) to the financial statements. The Company has incurred a loss of Rs. 7,693,049 during the year (accumulated loss of Rs. 33,132,939) resulting into erosion of its net worth as at March 31, 2015. 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 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.

6. **Other Matters**

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.286,250/- as at 31st March, 2015, total revenues of Rs. Nil and net cash flows amounting to Rs.200,000/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the unaudited financial statements certified by the Management.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. This does not include the matters in respect of two subsidiaries referred to in paragraph 6 above.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.

   f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of its subsidiary company incorporated in India, none of the other directors of the Group's companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates– Refer Note 28 to the consolidated financial statements.

      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 28 to the consolidated financial statements;

      iii. In case of holding company there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company. In case of subsidiary company, there were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For KHANDELWAL JAIN & Co
Chartered Accountants
Firm's Registration No. 105049W

Naveen Jain
(Partner)
Membership No. 511596

Place: Mohali
Date: May 30, 2015

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 7(1) of the Auditors' Report of even date to the Members of **Quadrant Televentures Limited** on the accounts for the period ended 31st March, 2015;

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

(b) In the case of Group, all fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and as informed, no material discrepancies were noticed on such verification.

II. (a) In the case of Group, as per the information furnished, the Inventories have been physically verified by the management at reasonable intervals during the period. In our opinion, having regard to the nature and location of stocks, the frequency of physical verification is reasonable.

(b) In the case of Group, in our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In the case of Group, the Companies are maintaining proper records of Inventory. In our opinion, the discrepancies noticed on physical verification of stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.

III. In the case of Group, as per the information furnished, the Companies have not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii) (a) and (b) of the Order are not applicable.

IV. In the case of Group, 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 inventory and Fixed Assets and for the sale of goods and services. During the course of our audit no major weaknesses has been noticed in the internal controls.

V. In the case of Group, the Companies has not accepted any deposits within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

VI. In the case of Holding Company, we have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts have been made and maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. In case of subsidiary, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the company.

VII. (a) According to the information and explanations given to us and records examined by us, the Group has been generally regular in depositing undisputed statutory dues with the appropriate authorities in respect of provident fund, employees' state insurance, income-tax, VAT, service tax, excise duty and other material statutory dues. According to information and explanations given to us no undisputed arrears of statutory dues were outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.

(b) In the case of Holding Company, according to the records of the Company, the dues of Income Tax, which has not been deposited on account of disputes and the forum where the dispute is pending, are as under:

SL. No.	Name of the Statute	Nature of Dues	Year	Amounts	Forum where dispute is pending
1	The Income Tax Act, 1961	Income Tax	2000-01	70,04,687	Income Tax Appellate Tribunal

In the case of subsidiary ITIPL, there are no disputed amounts due in respect of income tax, wealth tax, sales tax, excise duty, employees provided fund, employee state insurance fund and other statutory dues at the end of the year.

(c) In case of holding company, according to the information and explanations given to us and as certified by the management, there has been no delay in transferring amounts, required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under. In case of subsidiary, there are no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

VIII. In the case of Group, *the accumulated losses of the Companies are more than fifty percent of its net worth at the end of the financial year. The Company has incurred cash loss during the financial year and also in the immediately preceding financial year.*

IX. According to the information and explanations given to us and records examined by us, as at the Balance Sheet date the Group have not defaulted in repayment of dues to financial institution or banks or debenture holders.

X. According to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from bank or financial institutions.

XI. In the case of Group, no term loan with repayment period beyond 36 months has been obtained during the year.

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

For KHANDELWAL JAIN & Co
Chartered Accountants
Firm's Registration No. 105049W

Naveen Jain
(Partner)
Membership No. 511596

Place: Mohali
Date: May 30, 2015

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

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

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	**1**	2,860,714,568	8,371,056,980
(b) Reserves and surplus	**2**	(16,254,955,612)	(19,353,887,784)
		(13,394,241,044)	**(10,982,830,804)**
(2) Non-current liabilities			
(a) Long-term borrowings	**3**	5,872,384,786	5,872,384,786
(b) Other Long term liabilities	**4**	1,191,541,126	1,164,453,211
(c) Long-term provisions	**5**	65,203,111	51,047,255
		7,129,129,023	**7,087,885,252**
(3) Current liabilities			
(a) Short-term borrowings	**6**	105,841,002	100,617,465
(b) Trade payables	**7**	1,171,394,339	1,317,648,029
(c) Other current liabilities	**8**	11,220,041,703	8,746,240,491
(d) Short-term provisions	**9**	30,186,164	25,123,426
		12,527,463,208	**10,189,629,411**
TOTAL		**6,262,351,187**	**6,294,683,859**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	**10**	3,615,397,726	3,705,877,097
(ii) Intangible assets	**10**	927,401,966	1,267,111,090
(iii) Capital work-in-progress		380,804,580	216,949,001
(b) Deferred tax Assets		6,610,845	3,772,637
(c) Long-term loans and advances	**11**	159,890,192	109,980,519
		5,090,105,309	**5,303,690,344**
(2) Current assets			
(a) Inventories	**12**	27,111,019	22,365,439
(b) Trade receivables	**13**	529,669,462	480,582,877
(c) Cash and Bank balance	**14**	188,967,593	104,381,553
(d) Short-term loans and advances	**15**	425,645,362	380,477,014
(e) Other current assets	**16**	852,442	3,186,633
		1,172,245,878	**990,993,515**
TOTAL		**6,262,351,187**	**6,294,683,859**
See accompanying notes to the financial statement	**1-50**		

As per our report of even date | **For and on behalf of the Board**

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

Mitu Mehrotra Goel
Director
(DIN No. 05188846)

Babu Mohanlal Panchal
Director
(DIN No. 01806193)

Naveen Jain
Partner
Membership No. 511596

Kapil Bhalla
Company Secretary & Manager

Munish Bansal
Chief Financial Officer

Place : Mohali
Date : May 30, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

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

	Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I.	Revenue from operations	**17**	5,252,944,245	4,088,014,292
II.	Other income	**18**	36,293,167	29,373,556
III.	**Total Revenue (I + II)**		**5,289,237,412**	**4,117,387,848**
IV.	**Expenses:**			
	Purchase of Stock-in -trade	**19**	13,132,018	1,420,427
	Changes in inventories of Finished Goods, Work in Progress and Stock in Trade	**20**	(4,302,781)	179,429
	Network Operation Expenditure	**21**	4,442,020,758	3,784,123,394
	Employee Benefits Expenses	**22**	845,753,460	713,151,588
	Sales & Marketing Expenditure	**23**	368,444,109	281,010,394
	Finance Cost	**24**	268,428,470	273,112,751
	Depreciation and Amortization Expenses	**10**	1,390,668,278	1,274,414,958
	Other Expenses	**25**	374,554,861	408,551,564
	Total expenses		**7,698,699,173**	**6,735,964,505**
V.	Profit before tax (III- IV)		**(2,409,461,761)**	**(2,618,576,657)**
VI.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		2,838,208	1,645,293
VII.	**Profit (Loss) for the period (V-VI)**		**(2,406,623,553)**	**(2,616,931,364)**
VIII.	Earnings per equity share: (Nominal Value of Rs 1 each)			
	(1) Basic		(3.93)	(4.27)
	(2) Diluted		(3.93)	(4.27)
	See accompanying notes to the financial statement	**1-50**		

As per our report of even date

For and on behalf of the Board

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

Mitu Mehrotra Goel
Director
(DIN No. 05188846)

Babu Mohanlal Panchal
Director
(DIN No. 01806193)

Naveen Jain
Partner
Membership No. 511596

Kapil Bhalla
Company Secretary & Manager

Munish Bansal
Chief Financial Officer

Place : Mohali
Date : May 30, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

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

Particulars	For the period ended March 31, 2015	For the period ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year before Prior Year Expenditure and Tax	(2,406,950,163)	(2,587,681,191)
Adjustments for:		
Depreciation and Amortisation	1,390,668,278	1,274,414,957
Foreign exchange Loss/ (Gain)	(11,401,498)	(4,173,812)
Loss/ (Gain) on Sold / Discarded Fixed Assets/CWIP	1,513,456	(9,826,497)
Bad Debts Written Off	3,463,445	42,421,214
Provision for Doubtful Debts	6,322,733	31,872,922
Finance Expenses [Refer Note 3 below]	268,428,470	273,112,752
Interest Income	(13,013,872)	(10,550,359)
Operating profit before working capital changes	**(760,969,151)**	**(990,410,014)**
Adjustment for changes in working capital:		
(Increase) / Decrease in debtors	(58,872,763)	(30,594,648)
(Increase) / Decrease in Loans and advances	(32,074,483)	(115,715,694)
(Increase)/ Decrease in Inventory	(4,745,580)	(4,609,603)
Increase / (Decrease) in Current liabilities and provisions	2,856,570,713	1,790,986,853
Increase / (Decrease) in Current Assets	(86,250)	-
Cash generated from operations	**1,999,822,486**	**649,656,894**
Direct Taxes paid (Net)	(14,335,590)	(44,607,368)
Prior Period (Expense) / Income (Net)	(2,511,595)	(30,895,468)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**1,982,975,301**	**574,154,058**
CASH FLOW FROM INVESTING ACTIVITIES		
Adjustment for changes in:		
Purchase of fixed assets/CWIP	(1,712,957,142)	(512,018,107)
Proceeds from sale of fixed assets/CWIP	(1,513,456)	16,729,503
Fixed deposits	(75,043,812)	154,581,596
Interest Received	15,348,064	9,724,695
NET CASH USED IN INVESTING ACTIVITIES (B)	**(1,774,166,346)**	**(330,982,313)**
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Redemable Non Convertible Debentures ('NCDs')	-	-
Repayment of Secured Loan	5,223,537	(58,089,896)
Repayment of Public Deposits	-	-
Increase (Repayment) to Unsecured Loan	-	-
Interest paid	(204,490,261)	(177,205,459)
Dividend paid	-	-
NET CASH USED IN FINANCING ACTIVITIES (C)	**(199,266,724)**	**(235,295,355)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**9,542,231**	**7,876,390**
Cash and Cash Equivalents at the beginning of the year	76,884,002	69,007,612
Cash and Cash Equivalents at the end of the year	**86,426,233**	**76,884,002**
Cash and Bank Balances		
Cash in Hand	14,510,449	17,889,963
Cheques in Hand	7,236,369	5,901,181
Balances with Scheduled Banks		
In Current Account	64,679,415	52,006,849
In Escrow Account	-	1,086,009
Cash & Cash Equivalents	**86,426,233**	**76,884,002**

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 63,938,209 (March 31, 2014 - Rs 95,907,293) 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

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, 2015

For and on behalf of the Board

Mitu Mehrotra Goel
Director
(DIN No. 05188846)

Babu Mohanlal Panchal
Director
(DIN No. 01806193)

Kapil Bhalla
Company Secretary & Manager

Munish Bansal
Chief Financial Officer

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 1 - SHARE CAPITAL	As at 31.03.2015	As at 31.03.2014
Authorised:		
12,000,000,000 (March 31, 2014 - 1,200,000,000 equity share of Rs. 10 each) equity shares of Rs 1 each.	12,000,000,000	12,000,000,000
30,000,000 (March 31, 2014 - 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, 2014 - 612,260,268 equity share of Rs. 10 each) equity shares of Rs 1 each fully paid.	612,260,268	6,122,602,680
6,500,000 (March 31, 2014 - 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, 2014 - 15,984,543) 2% cumulative redeemable preference shares ('CRPS') of Rs 100 each fully paid.	1,598,454,300	1,598,454,300
	2,860,714,568	**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 33 (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 33 (a), the Company in accordance with the scheme of amalgamation approved by the Hon'ble High Courts 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 31,2014 - 432,000,250) equity shares of Rs 10 each were 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 aforesaid CRPS. Accordingly the CRPS shall be redeemable after the full settlement of dues to term lenders i.e. in the financial year 2023-24 as earlier stipulated re-payment in 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%.

NOTES FORMING PARTS OF THE ACCOUNTS

(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.

(d) In terms of CDR Package dated August 13, 2009 stipulating the reduction of paid up capital and pursuant to the Order of the Hon'ble Bombay High Court dated July 4, 2014 under Section 100 to 105 of Companies Act, 1956, which was duly registered by the Registrar of Companies, Mumbai on Sept 3, 2014, the paid up value of the 61,22,60,268 equity shares stood reduced from Rs. 10 per share to Re. 1 per share w.e.f. Sept 3, 2014; Consequently, paid up equity share capital also stood reduced from Rs. 612.26 Crore to Rs. 61.22 Crore and the Accumulated Losses were written-off to the extent of Rs. 551.03 Crore on Sept 3, 2014. The trading of Equity Shares with reduced face value of Re.1/- per share has commenced on December 29, 2014 at BSE Ltd.

Name of Share Holder	No. of Shares as at 31.03.2015	% held as at 31.03.2015	No. of Shares as at 31.03.2014	% held as at 31.03.2014
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	38,093,321	6.22	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 31.03.2015 is set out below:

Particulars	Figures As At 31.03.2015	Figures As At 31.03.2014
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 31.03.2015	As at 31.03.2014
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	(19,422,454,292)	(16,805,522,928)
Add: Carrying amount of the Assets with the remaining useful is Nil as per Schedule II of Companies Act 2013	(4,700,438)	
Less: Reduction in Share Capital	5,510,342,411	-
Add: Transfer from Statement of Profit & Loss	(2,406,623,553)	(2,616,931,364)
Add: Preliminary Expenes	(86,250)	-
Closing Balance	(16,323,522,120)	(19,422,454,292)
Total	**(16,254,955,612)**	**(19,353,887,784)**

Of the above

NOTES FORMING PARTS OF THE ACCOUNTS

(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 (3) (a), the Company (erstwhile The Investment Trust of India Limited) was a Non-Banking Financial Company ('NBFC') under the Certificate of Registration ('CoR') No 07.00222 dated April 18, 1998. Further, as more fully discussed in Note 42, 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.

NOTE 3 - LONG TERM BORROWING	As at 31.03.2015	As at 31.03.2014
Secured [Refer Note 34(1)]		
Redemable Secured Non Convertible Debentures ('NCDs') Pursuant to Revised CDR	3,196,908,800	3,196,908,800
Unsecured [Refer Note 34 (2)]		
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 34 (1) (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, then at par on March 31, 2016, are now redeemable at par on March 31, 2024 after repayment of the term loans as per CDR Schemes.

NOTE 4 - OTHER LONG TERM LIABILITIES	As at 31.03.2015	As at 31.03.2014
Interest accrued but not due on borrowings	927,630,429	863,692,220
Security Deposits		
- From Subscribers	13,745,830	14,302,792
- From Others	47,348,116	44,327,591
Advance From Customers and Unaccrued Income	202,816,751	242,130,608
Total	**1,191,541,126**	**1,164,453,211**

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 5 - LONG TERM PROVISIONS [Refer Note 45]	As at 31.03.2015	As at 31.03.2014
Provision for employee benefits.		
Leave Encashment / Availment	34,595,410	27,116,737
Gratuity	30,607,701	23,930,518
Total	**65,203,111**	**51,047,255**

NOTE 6 - SHORT TERM BORROWINGS	As at 31.03.2015	As at 31.03.2014
Secured		
Working Capital from Scheduled Banks	105,841,002	100,617,465
Total	**105,841,002**	**100,617,465**

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 34 (1)(a).

NOTE 7 - TRADE PAYABLE	As at 31.03.2015	As at 31.03.2014
Due to Micro / Small & Medium Enterprises [Refer Note 35]	405,264	337,208
For Expenses	1,170,989,075	1,317,310,821
Total	**1,171,394,339**	**1,317,648,029**

NOTE 8 - OTHER CURRENT LIABILITIES	As at 31.03.2015	As at 31.03.2014
Current maturities of long-term debts		
Advances from customers and unaccrued income	324,947,860	303,440,752
Other Advances	9,165,586,433	6,846,646,047
For Capital Goods	1,666,410,360	1,513,347,513
Book Bank Overdraft	147,063	2,965,965
Statutory Dues Payable	53,759,314	79,314,346
Other liabilities	9,190,673	525,869
Total	**11,220,041,703**	**8,746,240,491**

NOTE 9 - SHORT TERM PROVISIONS [Refer Note 45]	As at 31.03.2015	As at 31.03.2014
Provision for employee benefits.		
Leave Encashment / Availment	27,285,873	23,776,334
Gratuity	2,900,291	1,347,092
Total	**30,186,164**	**25,123,426**

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 10: FIXED ASSETS

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
TANGIBLE ASSETS	As at April 1, 2014	Additions during the period	Sale/ Adjustment during the period	As at March 31, 2015	As at April 1, 2014	Retained Earning* for the period	Depreciation for the period	On Sale/ Adjustment	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Land - Freehold	16,142,623	-	-	16,142,623	-	-	-	-	-	16,142,623	16,142,623
Land - Leasehold	8,896,419	-	-	8,896,419	1,385,469	-	92,160	-	1,477,629	7,418,790	7,510,950
Building	189,340,334	1,375,656	-	190,715,990	46,920,071	-	3,738,940	-	50,659,011	140,056,979	142,420,263
Leasehold Improvements	82,191,461	851,274	-	83,042,735	73,536,719	-	2,332,395	-	75,869,114	7,173,621	8,654,742
Network Equipment	6,128,069,789	734,763,080	-	6,862,832,869	3,724,003,344	-	494,108,883	-	4,218,112,227	2,644,720,642	2,404,066,445
Optical Fibre Cable and Copper Cable	4,624,968,845	52,965,142	-	4,677,933,987	3,739,269,490	-	404,360,522	-	4,143,630,012	534,303,975	885,699,355
Telephone Instruments at Customers Premises	394,777,273	125,363,511	-	520,140,784	271,332,325	-	54,075,133	-	325,407,458	194,733,327	123,444,948
Computers	322,336,443	20,262,354	9,489,698	333,109,099	222,668,790	3,177,152	59,510,610	9,489,698	275,866,855	57,242,244	99,667,653
Office Equipment	48,632,847	2,392,865	-	51,025,712	40,297,043	1,523,285	5,852,911	-	47,673,239	3,352,473	8,335,804
Furniture & Fixture	48,211,127	1,299,522	-	49,510,649	40,647,120	-	1,283,323	-	41,930,443	7,580,206	7,564,007
Vehicles	17,747,517	1,336,355	-	19,083,872	15,377,209	-	1,033,817	-	16,411,026	2,672,846	2,370,308
Sub Total	**11,881,314,678**	**940,609,759**	**9,489,698**	**12,812,434,739**	**8,175,437,580**	**4,700,438**	**1,026,388,693**	**9,489,698**	**9,197,037,013**	**3,615,397,726**	**3,705,877,098**
Previous Year	**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**	**3,705,877,098**	**4,097,071,951**

	GROSS BLOCK				AMORTISATION					NET BLOCK	
INTANGIBLE ASSETS	As at April 1, 2014	Additions during the period	Sale/ Adjustment during the period	As at March 31, 2015	As at April 1, 2014	Retained Earning for the period	Amortisation for the period	On Sale/ Adjustment	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Computer Software	298,634,446	21,570,462	-	320,204,908	215,300,510	-	25,892,979	-	241,193,489	79,011,419	83,333,938
Licence Entry Fees	2,352,658,603	3,000,000	-	2,355,658,603	1,875,533,203	-	136,090,222	-	2,011,623,425	344,035,178	477,125,400
Licence Entry Fees GSM [Refer Note 27 (3) (b)]	1,517,500,000	-	-	1,517,500,000	810,848,247	-	202,296,384	-	1,013,144,631	504,355,369	706,651,753
Goodwill [Refer Note 27(2) (2.9)]	31,229,573	-	-	31,229,573	31,229,573	-	-	-	31,229,573	-	-
Sub Total	**4,200,022,622**	**24,570,462**	**-**	**4,224,593,084**	**2,932,911,533**	**-**	**364,279,585**	**-**	**3,297,191,118**	**927,401,966**	**1,267,111,091**
Previous Year	**4,098,587,680**	**48,044,363**	**-**	**4,146,632,044**	**2,211,021,032**	**-**	**356,045,454**	**-**	**2,567,066,486**	**1,267,111,091**	**1,579,565,559**
Grand Total	**16,081,337,300**	**965,180,221**	**9,489,698**	**17,037,027,823**	**11,108,349,113**	**4,700,438**	**1,390,668,278**	**9,489,698**	**12,494,228,130**	**4,542,799,692**	**4,972,988,189**
Capital Work-In-Progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**380,804,580**	**216,949,001**

*** As per the new Companies Act 2013, the remaining useful life of the assets as at 01-April'2014 is Nil, remaining WDV of assets is recognized in the Opening Retained Earning.**

a. Capital Work in Progress includes Goods in Transit of Rs. 10,328,966 (March 31, 2014 Rs. Nil)

b. As on March 31,2015 telephone instruments aggregating to a net book value of Rs 174,066,836 (March 31, 2014 – Rs. 109,135,698) and other assets aggregating to net book value of Rs 888,832,153 (March 31, 2014 – Rs 1,018,995,267) are located at customer premises, other parties and at other operator's sites, respectively.

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 11 - LONG TERM LOANS AND ADVANCES	As at 31.03.2015	As at 31.03.2014
Unsecured, considered good		
Capital Advances	50,527,403	2,304,952
Security Deposits	77,056,085	64,685,438
Advances Recoverable in cash or in kind or for value te be received	32,306,704	42,990,129
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	**159,890,192**	**109,980,519**

NOTE 12 - INVENTORIES	As at 31.03.2015	As at 31.03.2014
Inventory Held for installation and maintenance of network	27,111,019	22,365,439
Total	**27,111,019**	**22,365,439**

NOTE 13 - TRADE RECEIVABLES	As at 31.03.2015	As at 31.03.2014
Trade Receivables Outstanding for a period exceeding six months:		
Secured, Considered Good	3,972,421	4,030,981
Unsecured, Considered Good	32,555,797	33,154,419
Doubtful	170,746,961	181,834,096
Others		
Secured, Considered Good	1,387,060	773,273
Unsecured, Considered Good	491,754,184	442,624,203
Doubtful	10,865,077	12,182,535
	711,281,500	**674,599,507**
Less: Provision for Doubtful Trade Receivables	(181,612,038)	(194,016,631)
Total	**529,669,462**	**480,582,876**

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

b) Includes Rs 161,183,797 (March 31, 2014 - Rs 134,557,517) of unbilled revenues, the invoices for which have been raised subsequent to March 31, 2015 [Refer Note 27 (2.12)].

NOTE 14 - CASH AND BANK BALANCE	As at 31.03.2015	As at 31.03.2014
Cash & Cash Equivalents		
Cash in Hand	14,510,449	17,889,964
Cheques in Hand	7,236,369	5,901,181
In Current Accounts	64,679,413	52,006,849
In Escrow Accounts	-	1,086,009
Fixed Deposit Less Than 3 Monts	-	-
Other Bank Balance*		
Fixed Deposit More Than 3 Monts but Less than 12 Months	102,541,362	27,497,550
Fixed Deposit More Than 12 Months		
Total	**188,967,593**	**104,381,553**

*Balances with banks to the extent held as margin money are of Rs. 102,541,362 (March 31, 2014 Rs. 27,109,592).

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 15 - SHORT TERM LOANS & ADVANCES	As at 31.03.2015	As at 31.03.2014
Unsecured, considered good		
TDS Recoverable	184,933,254	170,152,167
Balance with Customs, Excise and Service Tax	178,792,121	153,820,260
Advances Recoverable in cash or in kind or for value te be received	61,919,987	56,504,587
Total	**425,645,362**	**380,477,014**

NOTE 16 - OTHER CURRENT ASSETS	As at 31.03.2015	As at 31.03.2014
Interest Accrued on FDR	852,442	3,186,633
Total	**852,442**	**3,186,633**

NOTE 17 - REVENUE FROM OPERATIONS	For the year ended 31.03.2015	For the year ended 31.03.2014
Sale		
sale of products;	10,196,554	2,234,960
Sale of services;		
From Unified Access Services	2,866,664,266	2,284,413,998
From interconnection Usage Charges	511,015,588	322,792,583
From Infrastructure Services	81,975,029	64,679,611
From Internet Services	1,748,287,387	1,388,065,595
From Providing Manpower Services	29,074,179	23,390,241
From Other Services	5,731,242	2,437,304
Total	**5,252,944,245**	**4,088,014,292**

NOTE 18 - OTHER INCOME	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest Income (including TDS Rs 328,155 (March 31, 2014 - Rs 790,798)	13,013,872	10,550,359
Sale of Scrap	6,986,597	3,974,514
Rental Income	13,108,690	12,477,241
Miscellaneous Income	3,184,008	2,371,442
Total	**36,293,167**	**29,373,556**

NOTE 19 - PURCHASE OF STOCK IN TRADE	For the year ended 31.03.2015	For the year ended 31.03.2014
Purchases during the year	13,132,018	1,420,427
Total	**13,132,018**	**1,420,427**

NOTE 20 - CHANGE IN INVENTORY OF STOCK IN TRADE	For the year ended 31.03.2015	For the year ended 31.03.2014
Opening Stock in trade	633,570	812,999
Closing Stock in trade	4,936,351	633,570
(Increase)/Decrease in Inventory	**(4,302,781)**	**179,429**

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 21 - NETWORK OPERATION EXPENDITURE	For the year ended 31.03.2015	For the year ended 31.03.2014
Interconnect Usage Charges	2,489,203,462	1,980,090,762
Other Value Added Service charges	67,292,451	50,398,080
Port Charges	17,390,809	21,838,917
Testing and Technical Survey Expenses	40,000	-
Licence Fees on Revenue Share Basis	214,198,657	209,692,594
Royalty and licence fees to Wireless Planning Commission	18,738,364	26,661,877
Stores and Spares Consumed	101,666,591	85,279,512
Rent Node site	60,481,997	46,453,502
Infrastructure Sharing Rent	577,608,841	540,643,701
Electricity and Water -Network	400,633,630	373,581,505
Security Charges	1,318,294	1,081,980
Repair & Maintenance - Network	398,367,303	350,340,945
Bandwidth Charges	95,080,359	98,060,019
Total	**4,442,020,758**	**3,784,123,394**

NOTE 22 - EMPLOYEE BENEFIT EXPENSES	For the year ended 31.03.2015	For the year ended 31.03.2014
Salaries, Wages and Bonus	758,625,558	647,490,471
Employer's Contribution to Provident and other Funds	45,092,310	34,354,396
Leave Encashment / Availment	10,190,808	6,610,906
Gratuity	11,030,382	6,121,036
Staff Welfare Expenses	18,629,026	15,107,870
Recruitment & Training Expenses	2,185,376	3,466,909
Total	**845,753,460**	**713,151,588**

NOTE 23 - SALES & MARKETING EXPENDITURE	For the year ended 31.03.2015	For the year ended 31.03.2014
Sales and Business Promotion	73,367,894	46,277,858
Advertisement Expenses	107,229,393	93,137,599
Customers Acquisition Costs	187,846,822	141,594,937
Total	**368,444,109**	**281,010,394**

NOTE 24 - FINANCE COSTS	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest Charges		
to Banks	5,774,535	10,950,311
to Non Convertible Debentures	255,752,768	255,752,754
to Others	149,063	393,115
Bank Guarantee Commission	3,626,605	3,582,980
Trustees Fee	750,000	750,000
Monitoring Fees	1,000,000	1,000,000
Other Finance Charges	1,375,499	683,591
Total	**268,428,470**	**273,112,751**

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 25- OTHER EXPENSES		For the year ended 31.03.2015	For the year ended 31.03.2014
Foreign exchange fluctuation		-	7,227,687
Payments to the auditor			
Audit Fees		1,850,000	1,850,000
Tax Audit Fees		505,000	505,000
Other services		240,000	375,000
Reimbursement of expenses		65,769	121,859
Prior period Adjustments		2,511,595	30,895,468
Techincal Expenses		2,204,459	1,121,651
Legal and Professional Expenses		13,507,089	15,293,167
Travelling and Conveyance		107,686,460	96,117,712
Communication Expenses		6,796,052	2,434,476
Rent		29,675,089	26,679,365
Security Charges		10,848,360	8,638,190
Repairs and Maintenance - Building		403,855	1,111,131
Repairs and Maintenance - Others		19,178,368	14,571,730
Electricity and Water		26,629,225	23,473,277
Insurance		8,176,578	2,190,389
Rates and Taxes		9,436,002	9,033,925
Freight & Cartage		10,266,781	6,543,948
Printing and Stationary		3,368,611	3,148,277
Billing and Collection Expenses		103,101,909	86,621,649
Directors' Fees		206,720	221,720
Loss/ (Gain) on sale and Discarded of Fixed Assets		1,513,456	(9,826,497)
Bad Debts Written off	22,148,947		
Less; Provision for Doubtful Debts	(18,685,502)	3,463,445	42,421,214
Provision for Doubtful Debts		6,322,733	31,872,922
Miscellaneous Expenses		6,597,305	5,908,304
Total		**374,554,861**	**408,551,564**

NOTE 26 - CONTINGENT LIABILITIES	As at 31.03.2015	As at 31.03.2014
Estimated value of contracts remaining to be executed on capital account and not provided for net of capital advances Rs. 50,527,403 (March 31,2014 Rs 2,304,952)	189,288,497	113,014,325
Bank Guarantees given against Bid Bonds/Performance/Advance		
Financial Bank Guarantees	86,074,849	86,402,345
Performance Bank Guarantees	72,766,500	52,963,000
Open Letter of Credits (Margin Deposit Rs. Nil [March 31, 2014 - Rs. Nil)]	-	-
Income tax matters under appeal Principal Amount [Refer Note 28 (a)]	7,004,687	7,004,687
Income tax matters under appeal Interest Amount [Refer Note 28 (a)]	8,195,484	7,354,921
Claims against the Company not acknowledged as debts	8,954,521	9,780,973
Dividend on 2% cumulative redeemable preference shares ('CRPS') of Rs 1,598,454,300	191,814,516	159,845,430
Others [Refer Note 28 (b, c, d, e, f, g, h, i, j and k)]	2,011,192,001	1,522,233,377
Total	**2,575,291,055**	**1,958,599,058**

27. BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

The Consolidated Financial Statements relate to Quadrant Televentures Limited (Formerly known as HFCL Infotel Limited (hereinafter referred to as the "Parent Company") and its subsidiaries (these group entities and the Parent Company hereinafter collectively referred to as "the Group"). In the preparation of these Consolidated Financial Statements, investments in Subsidiaries have been accounted for in accordance with AS 21 (Consolidated Financial Statements) issued by the ICAI. The Consolidated Financial Statements are prepared on the following basis-

I. Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.

II. The results of operations of a subsidiary with which Parent – Subsidiary relationship cease to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship.

III. All the Subsidiary Companies, the Companies, in which Quadrant Televentures Limited has an ownership of more than one half of voting power or otherwise has power to exercise control over the operations to obtain economic benefits are considered for consolidation except where the control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future. Where a subsidiary is acquired and held exclusively with a view to its subsequent disposal, the investment in the subsidiary is accounted for in accordance with Accounting Standard 13"Investments" which require that current investments should be valued at lower of cost or their fair value.

IV. The difference between the cost to the Company of investment in Subsidiaries and the proportionate share in the equity of the subsidiaries as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and transaction costs, exceeds the book value of net assets in each acquired company.

V. Minorities' interest in net profits, if any, of consolidated subsidiaries for the Financial Year ended March 31st, 2015 is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately.

VI. In case of associate where the Company directly or indirectly through subsidiary hold 20% or more of the equity, it is presumed that the investor has the significant influence, unless it can be clearly demonstrated that this is not the case. Investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting of Investment in Associates in Consolidated Financial Statements" issued by ICAI.

VII. The company account for its share in the change of net assets of the associates, post-acquisition, after eliminating unrealized profit and loss resulting from transaction between the company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.

VIII. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Company's stand-alone financial statements. Differences in accounting policies are disclosed separately.

IX. The financial statements of the entities used for the purpose of consolidation are drawn up to reporting date as that of the Parent Company i.e. March 31st 2015.

X. As per Accounting Standard Interpretation (ASI)-15 on Notes to the Consolidated Financial Statements, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.

2. Significant Accounting Policies

2.1 Basis of preparation of Financial Statements

The financial statements are prepared and presented under historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 2013, including the mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules 2006.

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 60 years
Leasehold Improvements	10 years or over the lease term, whichever is lower
Network Equipment (other than batteries) Batteries (i)	9.67 years 5 years
Testing Equipments (included in Network Equipments) (i)	5 years
Optical Fibre Cable and Copper Cable (i)	15 years
Telephone Instruments	5 years
Computers	3 years
Software	5 years
Office Equipments	5 years
Furniture and Fixture	10 years, except in case issued to employees, where asset is depreciated in 5 years
Vehicles (i)(for QTL)	4 years
Vehicles-Motarcars (for ITIPL)	8 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) For these classes of assets based on internal assessment and technical evaluation, the management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of Companies Act 2013.

(ii) Depreciation on the amount capitalized on up-gradation of the existing assets 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 recognized 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 Assets 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

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.

2.13 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 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

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 Cash & Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.21 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is provable that there will be an out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

3. Other Notes

(a) **Group Information**

Information of Parent Company

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, 2015, the Company has an active subscriber base of over 3,119,797.

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.

Information of Subsidiary Companies

The following is the list of all subsidiary companies along with the proportion of voting power held. Each of them is incorporated in India.

Subsidiary	Holding	Country of incorporation and other particulars
Infotel Tower Infrastructure Private Limited	100%	The company was incorporated on August 5, 2008 with the main object to carry on the business of Trading of Mobile Handsets and providing Infrastructure & Manpower services.
Connect Teleinfra Private Limited	100%	A company registered under the Companies Act, 2013 of India and subsidiary of the Subsidiary Company (VIZ. Infotel Tower Infrastructure Private Limited) since March 27, 2015.
Quadrant Telenet Services Private Limited	100%	A company registered under the Companies Act, 2013 of India and subsidiary since March 27, 2015.

(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.

28. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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. 8,195,484 (March 31, 2014 – Rs 7,004,687 as Principal amount and Interest amount of Rs 7,354,921).

(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. BSNL went for appeal in Hon Supreme Court vide CA No-7435 of 2010.The matter is yet to be listed in SC for hearing. 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 period ended March 31, 2015.

(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 period ended March 31, 2015.

(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 BSNL went for appeal in Hon Supreme Court vide C.A No 5834-5836 of 2005 BSNL Vs ABTO & Others. The matter was Tagged with CA-5253 of 2010 to decide the preliminary objection raised by TRAI on the TDSAT"s jurisdiction. Next date of hearing awaited. 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 period ended March 31, 2015.

(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 period ended March 31, 2015.

(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 vide C,A No 271-281 of 2011. 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 non-compliance with Electro Magnetic Frequency Radiation Norms ('EMF Radiation Norms') prescribed by DOT. The Company on May 21, 2013 has represented to DOT that the Company is fully compliant with the specified limits of the EMF Radiation Norms and the Company has also submitted the 'Self Certifications' in respect of all the 204 Base Transceiver Station ('BTS') 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. Company filled petition in TDSAT vide petition No.294 of 2013.The matter tagged with Petition No 271 of 2013 and the arguments are over in the case and the order is reserved. The Company is confident that no such liability will arise and no further communication is received from DOT with this regard.

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 for Emission Magnetic Frequency ("EMF') radiation norms with respect to 647 Base Transreceiver Stations ('BTSs') as per list attached with 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 obligation 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 Show Cause Notice vide letter Dated 07-08-2014 wherein TERM Cell Punjab imposed penalty of Rs.267,000,000 for Emission Magnetic Frequency ("EMF') violation on self certification of shared sites. Company represented to TERM Cell against Show Cause notice and filed letter dated 14-082014, but there is no response. Then Company filed Petition No.423 of 2014 in TDSAT and stay was granted by TDSAT against Show cause Notice. Subsequently, this matter was tagged with Petition No.271/2013 filed by the Industry Association. The matter is sub -judice and arguments in similar batch matters are over and waiting for TDSAT order.

(j) BSNL had raised demand of Rs. 269,000,000 on the Company under Clause 6.4.6 of the Interconnect Agreement in connection with the FWT Services being provided by the Company. The Company had challenged the demand through Petition No. 232 of 2006. The TDSAT vide order dated 21-05-2010 had set aside the demand raised by BSNL. BSNL therefore filed an Appeal the Hon'ble Supreme Court.

(k) The Company is in receipt of a Show Cause Notice for assessment of Spectrum Charges 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 2012-13 amounting to Rs 3,028,932 vide letter no. 17-8/2014/LFA-Quadrant dated April 20, 2015. 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. The company is also in receipt of demand of Spectrum Charges of the year 2012-13 in respect of CDMA service amounting to Rs. 6,279,256 vide letter no. Spec/2013-14/538 and GSM Service amounting to Rs. 229,12,294 vide letter no. Spec/2013-14/540 dated July 25, 2014 on account of MWA spectrum charges. The Company has made a written representation for vide letter no. QTL/Spectrum/12-13/04 for CDMA and QTL/Spectrum/12-13/05 for GSM. The Company is confident that no liability would accrue regarding the same in future.

(l) The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities / Statutory Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.

(m) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.

(n) As at March 31, 2015 the Company did not have any outstanding long term derivative contracts.

29. a) During the year ended March 31, 2015, the Holding Company has incurred losses of Rs 2,398,930,498/- resulting into accumulated loss of Rs 16,290,302,925/- as at March 31, 2015 which has completely eroded its net worth and has a net current liability of Rs 11,325,415,028/- 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.

    b) During the year, the subsidiary Company 'ITIPL' has incurred losses of Rs. 7,693,049 resulting into accumulated loss of Rs. 33,132,939 as at March 31, 2015 which has completely eroded its net worth. The ability of the Company to continue as a going concern is dependent on the success of the 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.

30. In the opinion of the Board and to the best of their knowledge and belief, the value of realization in respect of the Current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities

is adequate and not in excess of amount reasonably required.

31. **Deferred Tax Assets**

In absence of any taxable income, no provision for the current tax has been made. Also, in view of losses and unabsorbed depreciation, considering the grounds of prudence, deferred tax assets is recognized to the extent of deferred tax liabilities and balance deferred tax assets have not been recognized in the books of accounts of parent company.

Deferred Tax in the Infotel Tower Infrastructure Private Limited, 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. 6,610,845/- as on 31st March, 2015 comprises of the followings:-

Particulars	As at March 31, 2015	Charge/ (Credit) during the year	As at March 31, 2014
Deferred Tax Assets/ (Liability)			
Provision for Gratuity	2,105,640	1,419,600	686,040
Provision for Leave encashment	2,636,380	1,814,377	822,003
Depreciation/ Amortization	1,868,825	-397,117	2,265,940
Preliminary Expenses	-	-	-1349
Net Deferred Tax (Liability)/ Asset	**6,610,845**	**2,836,860**	**3,772,634**

32. The Company has carried out Impairment Test on its Fixed Assets as on March 31, 2015 and the Management is of the opinion that there is no asset for which impairment is required to be made as per Accounting Standard-28 on Impairment of Assets issued by ICAI . (Previous year Rs. Nil).

33. **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 1/- 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, 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.

c. Out of the total paid up equity share capital comprising of 612,260,268 equity shares, 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.

d. 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.

e. Pursuant to the stipulation of CDR package dated August 13, 2009 with respect to Reduction of Issued, Subscribed & Paid up Equity Share Capital the face value of the Paid Up Equity Shares was required to be reduced to Re. 1 per equity share (from the 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 had filed the Reduction of Equity Share Capital Petition with Hon'ble Bombay High Court on March 20, 2014.

f. The Hon'ble Bombay High Court vide its Order dated July 4, 2014 approved the petition of the Company for Reduction of Equity Share Capital. Subsequently, the Registrar of Companies, Mumbai vide its Order dated September 3, 2014 registered the aforesaid order of Hon'ble Bombay High Court. The Reduction of Capital (in terms of the CDR Package) was duly effected in the Books of Accounts of the Company and had also been effected in the "Listed Equity Share Capital" on BSE Ltd. after updation by NSDL and CDSL and Trading in respect of the reduced equity share capital comprising of 61,22,60,268 equity shares with the reduced face value and paid up value of Re. 1/- per share, had commenced on BSE Ltd. w.e.f. December 29, 2014.

34. **Loans**

1. **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 complied with all the terms and conditions of Corporate Debt Restructuring Scheme as approved by the CDR Cell letter dated August 13, 2009. In compliance to the terms of CDR letter dated August 13, 2009, the company has completed the process of reduction of Equity Share Capital as referred to note 33 (e)

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.

2. **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 'NCD's earlier redeemable at par on March 31, 2014, then at par on March 31, 2016, are now redeemable at par on March 31, 2024 after repayment of the term loans as per CDR Schemes.

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.

35. Trade Payables include amount payable to Micro and Small Enterprises as at March 31, 2015 of Rs 405,264 (March 31, 2014 – Rs. 337,208). 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, 2015 is as under –

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Principal amount	405,264	337,208
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.	-	-

36. The Company had received advance of Rs 9,164,986,433 (March 31, 2014 Rs. 6,846,046,047) 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.

37. **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 31.03.2015	For the year ended 31.03.2014
Loss for the year (in Rs)	2,406,623,553	2,611,693,364
Weighted average number of equity shares	612,260,268	612,260,268
Nominal value per equity share (in Rs)	1	10
Earning per share – basic and diluted (in Rs)	(3.93)	(4.27)

38. **Operating leases**

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, 2015 is Rs 89,807,810 (March 31, 2014 – Rs 74,465,642).

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 577,608,841 (March 31, 2014 – Rs 540,809,201) towards infrastructure sharing expenses.

Further lease payments under non-cancellable operating leases are as follows:-

Particulars	As at 31.03.2015	As at 31.03.2014
Payable not later than one year	442,749,892	571,453,695
Payable later than one year and not later than five years	837,970,817	1,010,592,051
Payable more than five years	88,984,103	152,437,755
Total	**1,369,704,812**	**1,734,483,501**

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.

Company as a Lessor

a. 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 30,239,700 (March 31, 2014– Rs 13,299,070) towards site sharing revenue.

b. 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 51,735,329 (March 31, 2014– Rs 51,380,540) has been recognized in the Statement of Profit and Loss for the period ended March 31, 2015.

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 31.03.2015	As at 31.03.2014
Receivable not later than one year	38,806,906	38,806,906
Receivable later than one year and not later than five years	135,723,186	155,227,625
Receivable later than five years	64,650,304	83,952,771
Total	**239,180,397**	**277,987,303**

39. a) In case of Parent Company, with effect from April 01, 2014, the company has revised the useful life of some of its fixed assets to comply with the useful life as prescribed by schedule II to the Companies Act, 2013. As per Note 7 of Part C of Schedule II to the Companies Act, 2013 the carrying amount of the asset as on the date has to be depreciated over the remaining prescribed useful life of the assets. In case of fixed assets where the use full life was Nil as at April 01, 2014, the Company has adjusted the net residual value aggregating to Rs. 4,700,438 from retained earnings. Further due to change in rate of depreciation as per Schedule II of the Act during the year, the depreciation for the year is lower by Rs. 8,953,524 and loss is lower by Rs. 8,953,524.

b) In case of Subsidiary Company "ITIPL"with effect from April 01, 2014, the company has revised the useful life of some of its fixed assets to comply with the useful life as prescribed by schedule II to the Companies Act, 2013. As per Note 7 of Part C of Schedule II to the Companies Act, 2013 the carrying amount of the asset as on the date has to be depreciated over the remaining prescribed useful life of the assets. In case of fixed assets where the use full life was Nil as at April 01, 2014, the Company has adjusted the net residual value aggregating to

Rs. 12,802 from retained earnings. Further, due to change in rate of depreciation as per Schedule II of the Act during the year, the depreciation for the year is higher by Rs. 1,850 and loss is higher by Rs. 1,850.

c) Depreciation on vehicle provided to consider the useful life 4 years except in ITIPL useful life considered as 8 years. Had the depreciation been provided based on useful life of 4 years depreciation would have been higher by Rs. 485,733 in case of ITIPL.

40. **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.

41. **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 Private Limited	Holding Company
Mr. Kapil Bhalla (Company Secretary & Manager under Section 269 of Companies Act, 1956)	Key Managerial Persons (KMPs)
(Chief Financial Officer) Mr. Sunil Jit Singh from 01-04-2014 to 22-11-2014 Mr. Ashu Ratan Khare 22-11-2014 to 15-04-2015 Mr. Munish Bansal w.e.f. 15-04-2015	Key Managerial Persons (KMPs)

b) Transactions / Outstanding balances with Related Parties.

Particulars	2014-15 KMP	2013-14 KMP
Sale of Material	--	--
Debit notes raised by us	--	--
Debit note raised on us	--	--
Purchase of Services	--	--
Reimbursement of Expenses	--	
Remuneration paid*	4,415,496	4,605,462
Payment made by Company	4,415,496	4,605,462
Closing Balance as at Balance Sheet date		
Amount receivable	--	--

* Managerial remuneration (inclusive of employer's PF contribution and gratuity) paid to key management personnel include Rs 2,749,695 (March 31, 2014 – Rs 3,017,365) paid to Chief Financial Officer and Rs 1,665,800 (March 31, 2014 – Rs 1,588,097) paid to Manager.

42. **Unclaimed deposits from public**

The Company had surrendered its NBFC licence granted by the Reserve Bank of India ('RBI') for carrying out the NBFC business during the year ended March 31, 2004. All the unpaid / unclaimed deposits as on September 15, 2003 and the interest accruing thereon as on that date, were transferred to an Escrow Account in February 2004. On August 10, 2004, the Company obtained the approval of the shareholders for the removal of NBFC related objects from the Memorandum of Association. Further, the Company also submitted a letter dated July 7, 2004 for compliance and RBI vide its letter dated July 30, 2004 gave some concessions from compliance and advised the Company to follow certain instructions till the balance in the escrow account is settled. The entire amount lying in the Escrow Account has either been repaid to the Depositors or transferred to the Investor Education and Protection Fund of the Central Government.

The entire amount lying in the Escrow Account with the Oriental Bank of Commerce, Mumbai has either been repaid to the Depositors or transferred to the Investor Education and Protection Fund of the Central Government on the due date. During the year, an amount of Rs.10,86,059/- which was credited by the Bank into the Escrow Account has also been transferred to the Investor Education and Protection Fund.

43. **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, 2015, the Company has incurred loss of Rs 2,406,623,553. 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.

44. **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 under intangible assets in the Balance Sheet. Goodwill is amortized over the period of 5 years on straight-line method starting from April 1, 2009.

45. **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 March 31, 2015	For the year ended March 31, 2014
Employer's Contribution to Provident Fund *	35,618,516	27,360,897
Employer's Contribution to ESI *	9,405,140	6,993,499

* Included in Employer's Contribution to Provident and Other Funds, Refer Note 22

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	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	8,588,131	20,202,298	5,155,823	10,182,640
Interest cost	2,505,434	4,779,882	1,981,462	3,771,608
Expected Return on plan assets	(115,918)	-	(75,223)	-
Actuarial (gain) / loss	3,688,592	(10,993,469)	(941,026)	(4,137,104)
Past service cost	-	-	-	-
Curtailment and Settlement cost / (credit)	-	-	-	-
Net cost	**14,666,239**	**13,988,711**	**6,121,036**	**9,817,144**

The Company expects to contribute Rs. 8,25,00,000 towards employers' contribution for funded defined benefit plans in 2015-16.

b. The assumptions used to determine the benefit obligations are as follows:

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate	8.00%	8.00%	9.00%	8.00%
Expected Rate of increase in Compensation levels	6.00%	6.00%	7.00%	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	7.86Years	7.86Years	7.93Years	7.95Years
Expected Average remaining working lives of employees (years) - the Subsidiary	8.37 Years	8.37 Years	8.52 Years	8.52 Years

c. Reconciliation of opening and closing balances of benefit obligations and plan assets

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Change in Projected Benefit Obligation (PBO)				
Projected benefit obligation at beginning of year	26,133,954	50,778,366	22,231,499	42,909,527
Current service cost	8,588,131	20,202,298	5,155,823	10,182,640
Interest cost	2,505,434	4,779,882	1,981,462	3,771,608
Benefits paid	(6,395,726)	(3,376,308)	(2,306,817)	(1,801,254)
Past service cost	-	-	-	(147,051)
Actuarial (gain) / loss	3,731,579	(10,993,469)	(928,013)	(4,137,104)
Projected benefit obligation at year end	**34,563,372**	**61,390,769**	**26,133,954**	**50,778,366**
Change in plan assets :				
Fair value of plan assets at beginning of year	856,344	-	574,925	-
Expected return on plan assets	115,918	-	75,223	-
Actuarial gain / (loss)	42,987	-	13,013	-
Employer contribution	-	-	-	-
Contribution by plan participants	2,800,000	-	2,500,000	-
Settlement cost	-	-	-	-
Benefits paid	(2,759,869)	-	(2,306,817)	-
Fair value of plan assets at year end	**1,055,380**	**-**	**856,344**	**-**
Net funded status of the plan	**(33,507,992)**	**(61,390,769)**	**(25,277,610)**	**(50,778,366)**
Net amount recognized	**(33,507,992)**	**(61,390,769)**	**(25,277,610)**	**(50,778,366)**

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair value of plan assets :				
Fair value of plan assets at beginning of year	856,344	-	574,925	-
Actual return on plan assets	158,905	-	88,236	-
Employer contribution	2,800,000	-	2,500,000	-
Contribution by plan participants	-	-	-	-
Settlement cost	-	-	-	-
Benefits paid	(2,759,869)	-	(2,306,817)	-
Fair value of plan assets at year end	**1,055,380**	-	**856,344**	-

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		
	2014-15	2013-14	2012-13	2014-15	2013-14	2012-13
Defined benefit obligation	34,563,372	26,133,954	22,231,499	61,390,769	50,778,366	42,733,023
Plan assets	1,055,380	856,344	574,925	-	-	-
Surplus / (deficit)	(33,507,992)	(25,277,610)	(21,656,574)	(61,390,769)	(50,778,366)	(42,733,023)
Experience adjustments on plan liabilities	-	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-	-

46. a. Expenditure in foreign currency (on accrual basis)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Travel Expenses	500,040	28,975
Others	1,441,770	3,241,782
Total	**19,41,810**	**3,270,757**

b. CIF value of imports

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Import of capital equipment (other than telephone instruments)	154,567,430	9,077,061
Import of telephone instruments	9,624,426	10,334,768
Components and Spares	588,101	868,606
Total	**164,779,956**	**20,280,435**

47. **Consumption of Stores & Spares**

Particulars	For the year ended 31.03.2015		For the year ended 31.03.2014	
	Value	%	Value	%
Indigenous	100,367,058	98.72	84,357,827	98.92
Imported	1,299,533	1.28	921,685	1.08
Total	**101,666,591**	**100.00**	**85,279,512**	**100.00**

48. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary /Associates / Joint Ventures.

Name of the Enterprises	Relationship	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
		As % of total consolidated net assets	Amounts (In Rs.)	As % of total consolidated Profit or Loss	Amounts (In Rs.)
QTL	Parent Company	99.752%	(13,36,10,21,849)	99.68%	(2,39,89,30,498)
ITIPL	Indian subsidiary	0.247%	(3,30,32,940)	0.32%	(76,93,049)
QTSPL	Indian subsidiary	(0.001)%	1,00,000	N.A.	Nil
CTPL	Subsidiary of ITIL	(0.001)%	1,00,000	N.A.	Nil

49. Balances of some of the trade receivables and trade payables are subject to confirmations from the respective parties and consequential reconciliations/adjustments arising there from, if any. The management however doesn't expect any material variances.

50. 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

For and on behalf of the Board of Directors

Naveen Jain
Partner
Membership No.511596

Mitu Mehrotra Goel
Director
(DIN No. 05188846)

Babu Mohanlal Panchal
Director
(DIN No. 01806193)

Kapil Bhalla
Company Secretary & Manager

Munish Bansal
Chief Financial Officer

Place : Mohali
Date : May 30, 2015

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

68th Annual General Meeting - 28th HSeptember, 2015

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/or proxy attend and vote (on a poll) for me /us and on my/or behalf at the 68th Annual General Meeting of the Company scheduled to be held on Monday, September 28, 2015 at 2.30 P.M. 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.	To adopt the Audited Statement of Profit and Loss for the Financial Year ended on 31st March, 2015 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2.	To appoint a Director in place of Ms. Mitu Mehrotra Goel (DIN No.05188846), who retires by rotation and being eligible offers herself for reappointment.
3.	To ratify the appointment of Auditors and fixation of their remuneration.
Special Business	
4.	To confirm/appoint Mr. Vinay Kumar Monga (DIN: 03029345) as an Independent Director of the Company.
5.	To ratify and confirm the payment of remuneration to Cost Auditors of the Company.

Signed this…………………………….. day of 2015

Affix Revenue Stamp Re. 1

………………………………… *Signature Of the shareholder*

…...……………………………… *Signature Of the Proxy Holder*

Notes:

1. 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.
2. This is only optional. Please put in the appropriate column against the resolutions indicated in the box above. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

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

68th Annual General Meeting - 28th September, 2015

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 **68th Annual General Meeting** of the Company held on **Monday, September 28, 2015 at 2.30 P.M.** 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

If undelivered, please return to:-

Quadrant Televentures Limited
Regd. Office : Autocars Compound, Adalat Road, Aurangabad - 431005, Maharashtra