

IN THE HIGH COURT OF JUDICATURE AT BOMBAY.

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. ___ OF 2012

IN THE MATTER OF THE
COMPANIES ACT, 1956

AND

IN THE MATTER OF
SECTIONS 100 TO 104 OF
THE COMPANIES ACT, 1956:

AND

IN THE MATTER OF
REDUCTION OF SHARE
CAPITAL OF QUADRANT
TELEVENTURES LIMITED

QUADRANT TELEVENTURES LIMITED)

a Company duly incorporated under the)

Companies Act, 1956 and having its registered)

Office at Autocars Compound, Adalat Road,)

Aurangabad - 431 005, Maharashtra)..APPLICANT



1. SHRI BABU MOHANLAL PANCHAL, the Director of the Applicant Company above named residing at Flat No.2, Taiyabee Manzil, Prabhat Colony, Santa Cruz (E) Mumbai - 400055, do hereby solemnly affirm and state as under:

1. I am a Director of QUADRANT TELEVENTURES LIMITED. (hereinafter called the Applicant Company).

2. The Applicant Company, a company originally incorporated at Madras on 2nd day of August, 1946, in the name of THE INVESTMENT TRUST OF INDIA LIMITED, is a company limited by shares under No. 115 of 1946-47 (No.18-935) (I of 1956) of the provisions of the Companies Act, 1913 (Act VII of 1913). The Applicant Company, then known as THE INVESTMENT TRUST OF INDIA LIMITED commenced business vide Certificate of Commencement of Business issued pursuant to Section 103(2) of the Companies Act, 1913 given at Madras on the 9th day of September, 1946. The Applicant Company's name was subsequently changed from THE INVESTMENT TRUST OF INDIA LIMITED to HFCL INFOTEL LIMITED vide fresh certificate of incorporation consequent upon change of name dated 12th day of May, 2003. The Applicant Company's name was once again changed from HFCL INFOTEL LIMITED to QUADRANT TELEVENTURES LIMITED vide fresh certificate of incorporation consequent upon change of name dated 24th day of September, 2010 .

3. The registered address of the Applicant Company (then known as HFCL INFOTEL LIMITED) was initially shifted from the State of



Tamil Nadu to the State of Punjab vide Certificate of Registration of the Order of The Company Law Board Bench, Chennai, dated 5th day of January, 2004 confirming transfer of the registered office from one state to another. Thereafter, vide Certificate of registration of Order of the Company Law Board Bench, New Delhi dated 31.08.2009, confirming the alteration of the Memorandum of Association with respect to the place of the Registered office, u/s18(3) of the Companies Act, 1956, the registered office of the company was shifted from the State of Punjab to the State of Maharashtra.

4. The registered office of the applicant Company i.e. QUADRANT TELEVENTURES LIMITED is presently located at Autocars Compound, Adalat Road, Aurangabad - 431 005, India.
5. The Main objects of the Applicant Company are set out in its Memorandum of Association are set out hereunder:
 - i. To provide and to operate fixed line, cellular, wireless loop limited mobility and such other telecommunication services, internet services, broadband services, ISDN services, leased line services, VSAT services, long distance services, international bandwidth access and to provide data transmission and telecom and information technology enabled and related services including but not limited to Call Centers, Business Process Outsourcing Services, Custom centers, Customer Relationship Management , Back Office Processing, data entry Medical Transcription etc.

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The objects incidental or ancillary to the attainment of the main object are:

- i. To carry on all or any of the business of manufactures, designers, consultant, exporters, importers, buyers, sellers, hirers, renters, repairers, distributors, agents and dealers in all types of telecommunication, instruments including wireless telephones, cellular mobile phones and services, satellite commercials equipment like V-Sat, microwave communication, paging hand held terminals, telephone systems, electronic switches and exchanges antennas, satellite dishes, radios, devices, accessories, appliances, materials and requisites of every kind whereby sound or vision is recorded, amplified, produced, reproduced, transmitted or received by the use or aid of electricity. To carry on the business of electrical, telecommunications, computer, radio electronics, consulting engineers mechanics, fitters, mill wrights, founders, rodmillers, machinists, tool makers, wire drawers, galvanisers, japanners, electroplates, enamellers and painters, suppliers of telephone, telegraph, radio, railway, signaling, and facsimile equipment and apparatus electric, magnetic, galveric and other apparatus in India or in any part of the world.
- ii. To manufacture, buy, sell, exchange and/ or install dry cells, relays, meters, lamps, condensers, valves, rectifiers , air-raid precaution equipment, plastics, plasticine, resins, bitumen, India-Rubber or any other water- proofing materials and paper and to manufacture, install, operate and maintain telegraphs, telephones, photographs, switching centers, radio transmitting or receiving stations or sets, dynamos, accumulators, and all apparatus in connection with the generations, accumulation, distribution, supply and employment of electricity or any power

that can be used as a substitute, therefore, including all cables, wires or appliances for connecting apparatus at a distance with other apparatus and including the formation of exchanges or centres.

Annexed hereto as **Exhibit "A"** is a printed copy of the Memorandum and Articles of Association of the Applicant Company.

6. The authorised share capital of the Applicant Company is Rs. 1,500 Crores (Rupees One Thousand Five Hundred Crores Only) divided into 120,00,00,000 (One Hundred and Twenty Crores) Equity shares of Rs.10/- each and 3,00,00,000 2% Preference Shares of Rs. 100/- each as on 31.03.2012 and the issued, subscribed and paid up Equity Share Capital of the Applicant as on even date is Rs. 612,26,02,680/- divided into 61,22,60,268 fully paid Equity Shares of Rs.10/- each and Rs. 224,84,54,300/- divided into 2,24,84,543 Cumulative Redeemable Preference Shares of Rs. 100/- each. The Applicant company has the power from time to time to increase or to reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of association. Hereto annexed and marked as "**Exhibit B**" is the Audited Balance Sheet of the Applicant Company for the period ended 31st March, 2012 and **Exhibit "B-1"** is the Provisional Balance Sheet of the Applicant Company for the period ended 30th June, 2012 .
7. The Applicant Company submits that there is no change in the financial structure and shareholding of the Company till date of filing of this application.

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- 8 The Applicant Company has presented a Petition for permission to reduce the share capital of the Applicant Company under the provisions of section 100 to 104 and other applicable provisions of the Companies Act, 1956, in the circumstances set out hereinafter.
9. The Applicant Company is engaged in the business of providing Telephony Services including Landline, DSL (Internet), CDMA and GSM Mobile Telephony Services and Leased Line services under the UASL (Unified Access Services License) granted by the Department of Telecommunications (DoT), Ministry of Communications & Information Technology, Government of India, New Delhi, for operating in the Punjab Telecom Circle comprising of the State of Punjab, the Union Territory of Chandigarh and the Panchkula Town of Haryana. Telecom Sector is a highly capital intensive industry which requires heavy initial capital outlays for setting up of an elaborate network of underground copper cable network apart from the Telecom Towers in its area of operations. The Applicant Company has set up an elaborate network over the past ten years all over the Punjab Telecom Circle including elaborate Copper and Cable Network for providing Landline and DSL (Internet) Services involving huge capital outlays. In view of the huge capital outlays continuing costs and in view of the ever increasing competition, the Applicant Company has incurred accumulated losses over the past 10 years of operations thereby resulting in the erosion of the Applicant Company's Net worth. As of March 31, 2012 the company's Net Worth stands totally eroded due to accumulated losses amounting to Rs. 1542,85,96,916 (Rupees One Thousand Five Hundred and Forty Two Crores, Eighty Five Lacs, Ninety Six Thousand, Nine Hundred and Sixteen only). On account of

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the accumulated cash losses suffered by the Applicant Company, the Corporate Debt Restructuring Cell (CDR Cell) vide its letter No CDR (JCP) No.563/2009-10 dated 13th August, 2009 had approved a Corporate Debt Restructuring Package (CDR Package) for the revival of the Applicant Company. The Applicant craves leave to refer and rely upon the said letter CDR (JCP) No.563/2009-10 dated 13th August, 2009 when produced.

10. The Applicant Company submits that one of the terms of the said CDR Package requires the Applicant Company to implement the 'Reduction of Equity Share Capital by 90 per cent. The proposed reduction in the equity share capital is essentially to meet the above requirement of the CDR Cell /financial institutions/ banks – and to cancel the part of total capital which has already been lost on account of accumulated losses and is not represented by any asset.

11. In view of above, the Board of Directors in their meeting held on November 12, 2011 have passed a resolution for writing-off of a part of debit balance in Profit & Loss Account to the tune of Rs. 551,03,42,412 (Five Hundred Fifty One Crore, Three Lacs, Forty Two Thousand, Four Hundred & Twelve only) by reducing the face value and consequently the paid up value of the equity shares of the Company from Rs. 10/- (Rupees Ten Only) each per Equity Share, fully paid-up to Re. 1/- (Rupee One Only) each per Equity Share fully paid-up, by canceling the capital to the extent of Rs. 9/- (Rupees Nine Only) per Equity share, subject to approval of the shareholders and the confirmation by the Hon'ble High Court of Judicature at Bombay and/or other competent

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authorities, if any, as may be required. The copy of the resolution dated 12.11.2011 is annexed hereto and marked Exhibit "C".

12. The Applicant submits that the post-reduction 'Paid up value of each equity share' will be Re. 1/- (Rupee One Only) fully paid-up as against Rs. 10/- (Rupees Ten Only) fully paid-up at present. The number of Equity Shares issued shall remain unchanged. The Applicant submits that the proposed "Reduction" will not affect or change the percentage shareholding of the Promoters and non-promoters. The pre and post reduction shareholding pattern of Equity Shares as on 31.03.2012 is as follows:

Sr. No	Category	Pre Reduction		
		No. of shares of face value of Rs 10/- each (fully paid up)	Paid up value @ Rs.10/- per share (fully paid up)	(%)
1	Promoters' holding	326705000	3267,050,000	53.36
2	Public Shareholding:			
A	Institutions	183534085	1835340850	29.98
B	Body Corporate	77313341	773133410	12.63
C	Individuals (holding nominal share capital up to Rs 1 lakh)	11865093	118650930	1.94
D	Individuals (holding Nominal share capital in excess of Rs 1 lakh)	11166147	111661470	1.82
e	Clearing Members	43243	432430	0.01
f	Hindu Undivided Family(HUF)	1377291	13772910	0.22
G	Non Resident Indian (NRI)	253293	2532930	.04
h	Overseas Corporate Bodies (OCB)	2775	27750	0.00
Total Public Shareholding (a+b+c+d+e+f+g+h)		285555268	2855552680	46.64
Total		612260268	6122,602,680	100



Sr. No.	Category	Post Reduction		
		No. of shares of face value of Rs 1/- each (fully paid up)	Paid up value @ Rs.1/- per share (fully paid up)	(%)
1	Promoters' holding	326705000	326,705,000	53.36
2	Public Shareholding:			
A	Institutions**	183534085	183534085	29.98
B	Body Corporate	77313341	77313341	12.63
C	Individuals (holding nominal share capital up to Rs 1 lakh)	11865093	11865093	1.94
D	Individuals (holding Nominal share capital in excess of Rs 1 lakh)	11166147	11166147	1.82
E	Clearing Members	43243	43243	0.01
F	Hindu Undivided Family(HUF)	1377291	1377291	0.22
G	Non Resident Indian (NRI)	253293	253293	.04
H	Overseas Corporate Bodies (OCB)	2775	2775	0.00
Total Public Shareholding (a+b+c+d+e+f+g+h)		285555268	285555268	46.64
Total		612260268	612260268	100

13. The Applicant submits that the need to reduce share capital is justified on the following grounds:

- i) To implement order of CDR cell under Corporate Debt Restructuring of banks / financial institutions.
- ii) To cancel the part of total capital which has already been lost on account of accumulated losses and is not represented by any asset.



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14. The Applicant submits that the 'Creditors' of the Company are in no way affected by the proposed Reduction of Share Capital as there is no Reduction in the amount payable to any of the creditors nor does it involve reduction in the security, if any, which has been created on the assets of the Company. Further no compromise or arrangement is contemplated with the creditors since the proposed Reduction does not involve any financial outlay on the part of the Company. As per Sections 100 to 104 of the Companies Act, 1956, subject to confirmation as mentioned above, the applicant submits that a Company limited by shares may, if so authorized by its articles, by Special Resolution, reduce its share capital in any way as mentioned therein. Further, Clause 66 of the Articles of Association of the Company also authorises the reduction of share capital by way of Special Resolution, subject to consent required by law and as approved by the Corporate Debt Restructuring Cell .
15. The Applicant submits that in these circumstances, the proposed reduction of the share capital is by extinguishing /cancelling Rs.551,03,42,412/- (Rupees Five Hundred And Fifty One Crores, Three Lacs, Forty Two Thousand, Four Hundred And Twelve Only) from the existing paid up equity share capital of Rs. 612,26,02,680/- (Rupees Six Hundred And Twelve Crores, Twenty Six Lacs, Two Thousand And Six Hundred Eighty Only) comprising of 61,22,60,268 Equity shares of Rs. 10/- (Rupees Ten Only) each.

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16. The Applicant submits that the said reduction will not affect the payment to Creditors. Further, there would be no diminution of liability in respect of unpaid capital or any payment to any shareholder of any paid up share capital. No cash outflow to shareholders was involved. In these circumstances, the requirements of the provisions of Section 101 of the Companies Act 1956 will not be applicable.
17. The Board of Directors pursuant to the resolution passed at the meeting of Board of Directors of the Applicant Company on November 12, 2011 and May 28, 2012 as aforesaid, has issued a Notice dated May 28, 2012 convening an Extraordinary General Meeting of the Shareholders of the Petitioner on July 18, 2012. Accordingly, at the Extraordinary General Meeting held on July 18, 2012, all the Equity Shareholders present passed the following Special Resolutions with full majority - under and pursuant to Sections 100 and 101 read with other applicable provisions, if any, of the said Act.

"RESOLVED THAT subject to the provisions of Section 100 to 104 and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof for the time being in force), read with Article 66 of the Articles of Association of the Company and subject to the confirmation by the Hon'ble High Court of Judicature of Bombay or other competent authority, and in compliance with the stipulations of the Corporate Debt Restructuring Package (CDR Package) as approved by the Corporate Debt Restructuring Cell (CDR Cell) vide its letter no. CDR (JCP) No.563/2009-10 dated 13th August, 2009 and subsequent communication resting with letter no. CDR(JCP)No.5679/2011-

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12 dated October 5, 2011, approval of the shareholders be and is hereby accorded for the reduction in the issued, subscribed and paid-up equity share capital of the Company by 90% (Ninety Percent) by way of extinguishing / canceling Rs. 9/- (Rupees Nine) per equity share i.e. Rs.551,03,42,412/- (Rupees Five Hundred and Fifty One Crores, Three Lacs, Forty Two Thousand, Four Hundred And Twelve Only) from the existing paid up equity share capital of Rs. 612,26,02,680/- (Rupees Six Hundred and Twelve Crores, Twenty Six Lacs, Two Thousand and Six Hundred Eighty Only) comprising of 61,22,60,268 Equity shares of Rs. 10/- (Rupees Ten Only) each fully paid up, and writing off the debit balance of the Profit & Loss account of the Company by an equivalent amount – being not represented by assets in view of the accumulated losses of the past years.”

“RESOLVED FURTHER THAT subject to and subsequent to the confirmation by the Hon’ble High Court of Judicature of Bombay or other competent authority, if any, the issued, subscribed and paid up Equity Share capital of the Company shall be Rs.61,22,60,268/- (Rupees Sixty One Crores, Twenty Two Lacs, Sixty Thousand, Two Hundred And Sixty Eight Only) divided into 61,22,60,268 (Sixty One Crore Twenty Two Lacs Sixty Thousand Two Hundred & Sixty Eight) Equity shares of face value of Re. 1/- (Rupee One only) each, fully paid-up. ”

“RESOLVED FURTHER THAT consequent upon the issuance of the Confirmatory Order for Reduction of Capital by the Hon’ble High Court, Clause V of the Memorandum of Association be altered and substituted with the following new Clause V:

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V. The Authorised Share Capital of the Company is Rs. 1,500,00,00,000/- (Rupees One Thousand Five Hundred Crores Only) divided into 1,200,00,00,000 (One Thousand Two Hundred Crores) Equity shares of Re. 1/- (Rupee One Only) each and 3,00,00,000 (Three Crores) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each, with power to increase or reduce the capital, to divide the shares in the capital, for the time being, into several classes and to attach thereto respectively, such preferential, deferred, or special rights, privileges or conditions as may be determined by or in accordance with the provisions of the Act or the Articles of the Company and to vary, modify or abrogate any such rights, privileges and conditions as may be determined by or in accordance with Articles of Association of the Company and in such manner as may, for the time being, be provided by the Articles of Association of the Company."

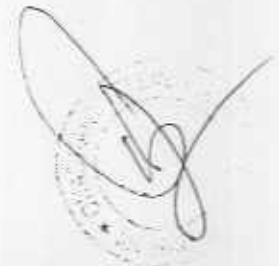
"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board") (which term shall be deemed to include any committee(s) constituted / to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law), be and is hereby authorised to make/file the necessary application(s) and/or petition(s) before the Hon'ble High Court of Judicature of Bombay or other competent authority and to appoint advocate, consultants, professionals, sign vakalatnama, to represent the Company before the Court and other competent authority, to resolve all issues and to do all such acts, deeds, matters and things as may be deemed necessary or which may be ancillary or incidental to the above mentioned matter or which may otherwise be required for the carrying out the aforesaid Reduction of

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Capital and to accept any such conditions and/or directions as may be imposed/issued by the Hon'ble High Court in its Order."

18. The Explanatory Statement pursuant to Section 173 of the Act sent to the Shareholders alongwith Notice calling the Extraordinary General Meeting is annexed hereto as **Exhibit "D"** . A copy of minutes of the said Extra Ordinary General Meeting of the equity Shareholders held on July 18, 2012 is annexed hereto and marked as **Exhibit "E"**. Also annexed and marked as **Exhibit "F"** is the Form of Minutes.
19. In view of what is aforesaid, I humbly pray that this Hon'ble Court be pleased to dispense with the compliance of the provisions of Clause (a) to (c) of sub-section 2 of the said section 101 of the Companies Act, 1956. I humbly pray that the directions for advertisement of the petition and for fixation of the date of hearing of the petition be granted by this Hon'ble Court.
20. I also respectfully pray that a notice of the proposed petition be published in the Free Press Journal in English and in Loksatta in Marathi having circulation in Aurangabad or any other newspapers and in such other manner as this Hon'ble Court may direct. However, the publication of the notice of the proposed petition in the Maharashtra Government Gazette be waived.

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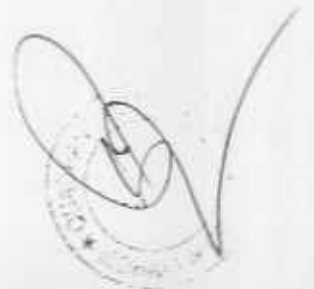
21. I also respectfully pray that necessary and further directions be given as to the issue and the publication of the said Notice and the date of hearing of the proposed Petition filed.

Solemnly affirmed at Mumbai)

This day of September, 2012)

BEFORE Me

ADVOCATES FOR APPLICANT

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY.

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. ___ OF 2012

IN THE MATTER OF THE
COMPANIES ACT, 1956

AND

IN THE MATTER OF
SECTIONS 100 TO 104 OF
THE COMPANIES ACT, 1956;

AND

IN THE MATTER OF
REDUCTION OF SHARE
CAPITAL OF QUADRANT
TELEVENTURES LIMITED

QUADRANT TELEVENTURES LIMITED)

a company duly incorporated under the)

Companies Act, 1956 and having its registered)

Office at Autocars Cmpound, Adalat Road,)

Aurangabad 431 005 , State of Maharashtra) ..APPLICANT

FORM OF MINUTES

" The paid-up share capital of the company viz. 61,22,60,268 Equity shares of the face value of Rs.10/- amounting to Rs.612,26,02,680/- (Rupees Six Hundred and Twelve Crores Twenty Six Lakhs , Two Thousand and Six Hundred Eighty Only) shall be reduced by 90% (ninety percent) by way of extinguishing /canceling Rs.9/- (Rupees Nine) per Equity share i.e. Rs.551,03,42,412 (Rupees Five Hundred Fifty One Crores, Three Lakhs , Forty Two Thousand , Four Hundred and Twelve Only) from the existing paid up Equity Share Capital of Rs.612,26,02,680/- comprising of 61,22,60,268 Equity Shares of Rs.10/- (Rupees Ten) each fully paid up and writing off the debit balance of the Profit and Loss Account of the Company by an equivalent amount being not represented by assets in view of the accumulated losses "

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Annexure - III

CAMEO CORPORATE SERVICES LIMITED

REF: CAM/ITL/MIS/2013

M/s Quadrant Televentures Limited,
B- 71, Industrial Area,
Phase VII , Mohali,
Punjab - 160055

Dear Sir(s)

Sub: Confirmation on status of Investor complaints for the period from 01.10.2012 to 31.12.2012

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	1
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	1
4.	Number of complaints resolved	1
5.	Number of complaints pending	Nil


Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	J. M. Financial Services Pvt Ltd	01/11/2012	Resolved

This is for your kind information & records.

Thanking you,

Yours faithfully,
For CAMEO CORPORATE SERVICES LIMITED



Head
Investor Service Cell