

NOTICE

Postal Ballot Notice Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2011

Dear Members,

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal ballot) Rules, 2011, **NOTICE** is hereby given that the Company is seeking the consent of the Members for the proposed resolution(s) appended below to be passed through Postal Ballot.

The Board of Directors at its Meeting held on April 25, 2013 has appointed Mr. Sanjay Grover, Company Secretary in Whole-time practice, as a Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to read the instructions carefully printed on the Postal Ballot Form sent herewith and return the form duly completed in the attached self addressed postage prepaid envelope so as to reach the Scrutinizer on or before the close of Working Hours i.e. 1830 hours on June 10, 2013. The members may opt for e-voting facility for giving their assent/dissent to the proposed resolution(s). The procedure for e-voting is given here-in below. Please note that any Postal Ballot Form received after June 10, 2013 will be treated as not having been received.

The date of Declaration of Result of the Postal Ballot shall be deemed to be the date of the General Meeting and the date of passing of the proposed Resolution(s).

The Resolution(s) along with Explanatory Statement setting out material facts are as follows:

SPECIAL BUSINESS

1. Increase in the Borrowing powers of the Company

To consider and if thought fit, to pass with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT subject to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof (herein referred to as the Act) and in supersession of all the earlier resolutions passed in this regard, the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 4A of the Act and/or eligible foreign lender and/or any entity/entities or authority/authorities and/or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 6000 Crores (Rupees Six Thousand Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

2. Creation of Charge on Movable and Immovable properties of the Company, both present and future

To consider and if thought fit, to pass with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof) the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, upto an aggregate limit of Rs. 6000 Crores (Rupees Six Thousand Crores Only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered /to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

3. Alteration in Articles of Association by insertion of new set of Articles

To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 31, 268 and other applicable provisions of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, if any, the consent of the members of the Company be and is hereby accorded for insertion of the following Articles after Article 47 of Articles of Association of the Company:-

47A. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Finance Corporation of India (IFCI), Industrial Development Bank of India (IDBI), The Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IFCI, IDBI, ICICI, LIC and Unit Trust of India (UTI) or any other financing Corporation or Credit Corporation or any other Financing Company or Body is (each of which IFCI, IDBI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non-whole time (which Director or Directors is/

are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

- 47B. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
- 47C. The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as a Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the Guarantee furnished by the Corporation.
- 47D. The Nominee Director/s appointed under these Articles shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as well as the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- 47E. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Director/s of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses, that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s. Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees in relation to such nominee Director/s shall be deemed to be accrued to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.
- 47F. In the event of the Nominee Director/s being appointed as Whole-Time Director/s, such Director/s shall exercise such powers and have such rights as are usually exercised or available to a Whole-Time Director in the management of the affairs of the Company. Such Whole-Time Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, things and matters and to sign, execute, amend, alter, withdraw and file all such forms, papers, application, indemnity and documents with any government / regulatory authority or any other authority as may be considered necessary or expedient including appointing attorney(s) or authorized representative(s) to give effect to this Resolution."

4. Re-appointment of Mr. Deepinder Singh Bedi as the Whole-Time Director and remuneration payable to him

To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**:

"RESOLVED THAT in supersession to the earlier resolutions passed in this respect and pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof) subject to the approval of Central Government, if required, on the basis of recommendations of the remuneration Committee and the Board of Directors the consent of the members be and is hereby accorded to re-appointment of **Mr. Deepinder Singh Bedi** as the **Whole-Time Director** of the Company for a period of three (3) years w.e.f. April 1, 2013 on rotational basis on the following terms & conditions:

A. Basic Salary: Rs. 12,50,000/- per month (Rupees Twelve Lacs Fifty Thousand per month)

B. Perquisites:

- (i) Leave Travel : For Self and family once a year incurred in accordance with the rules of the Company, subject to a maximum of Rs. 75,000/- per month
- (ii) Medical: Rs. 1250/- per month
- (iii) Conveyance: Company maintained car with chauffeur for personal & official purpose, subject to maximum of Rs. 20,000/- per month
- (iv) Special Allowance: Rs. 4,53,750/- per month
- (v) House Rent Allowance: Rs. 7,00,000/- per month

C. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payments as per Company's Rules shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps expedient or desirable to give effect to this Resolution."

**By Order of the Board,
For Tulip Telecom Limited,**

Sd/-

**Sumit Chandhok
Company Secretary**

**Date : April 25, 2013
Place : New Delhi**

Notes:

1. Explanatory Statement and reasons for the proposed special businesses pursuant to Section 173(2) read with Section 192A(2) of the Companies Act, 1956 are given hereunder.
2. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot shall be announced by the Chairman, or in his absence by any other person authorized by the Chairman, on June 14, 2013 at 1600 Hours at the Registered Office of the Company and the resolution(s) will be taken as passed, if approved by the members by requisite majority, on the date of announcement of the result by the Chairman or such other authorized person in his behalf. Members who wish to be present at the time of declaration of the result may be present at the venue. The result of the postal ballot will be intimated to the National Stock Exchange of India Limited and BSE Limited.
3. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 1100 hours and 1300 hours on any working day except Saturday and public holidays.
4. The Notice is being sent to all the Members of the Company, whose names would appear in the Register of Members as on April 26, 2013 (Cut-Off date/ Record Date)
5. **Instruction for Electronic Voting**
The company is offering e-voting facility to its members enabling them to cast their votes electronically. The company has signed an agreement with the Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Clause 35B of the Listing Agreement.

The instructions for shareholders for e-voting are as under:

- (i) Launch internet browser by typing the following URL: <https://www.evotingindia.com/> during the voting period.
- (ii) Click on "Shareholder" tab to cast your votes.
- (iii) Now select the Electronic Voting Sequence Number – "EVS" along with "Tulip telecom Limited" from the drop down menu & click on "SUBMIT".

(iv) Now, fill up the following details in the appropriate boxes & click on "SUBMIT"

User-ID	For Members holding shares in Demat Form: a) For NSDL :- 8 Character DP ID followed by 8 Digits Clients ID b) For CDSL :- 16 digits beneficiary ID For Member holding shares in Physical Form: Folio Number registered with the Company
Pass-word*	Your Unique Password is given in the E-Mail sent on your registered E-mail ID with DP/RTA or printed on the postal ballot form sent to you.
PAN**	Enter your 10 digit alpha-numeric PAN issued by income tax department.

*In case you are having shares in Demat form & had logged-in to www.evotingindia.com earlier for EVSN of any other company, please use the same password which was changed by you earlier.

**Members who have not updated their PAN no. with the Company/ Depository Participants are requested to use the default number in the PAN field or use physical Postal Ballot form for voting.

- (v) Members holding shares in physical form will then reach directly to the voting screen.
 - (vi) Members holding shares in Demat form will now reach Password change menu wherein they are required to mandatorily change their login password. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the Demat holders for voting for resolution 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 person and take utmost care to keep your password confidential.
 - (vii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Members forget the password & the same needs to be reset.
 - (viii) Now you are ready for e-Voting as Cast Vote page opens.
 - (ix) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
 - (x) Click on the Resolution File Link if you wish to view the entire Postal Ballot Notice.
 - (xi) Cast your vote by selecting appropriate and click on "Submit" and also "Confirm" when prompted.
 - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail at tulipscrutinizer@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com. File name of the scan image should be "Corporate Name_EVSN"
 - (xiv) If you wish to provide feedback on the E-Voting system click on 'Suggestions'. In case you have any queries or issues regarding E-Voting, please contact helpdesk.evoting@cdslindia.com.
 - (xv) In case of any queries, you may refer the (QNA) and e-voting user manual for Shareholders available at the HELP section of www.evotingindia.com.
6. Shareholders who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot form.
7. Kindly note that the shareholders can opt only one mode of voting, i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physical postal ballot also and vice versa. However, in case shareholders cast their vote by physical ballot and e-voting, then voting done through e-voting will be prevail and voting done through physical ballot will be treated as invalid.
8. The voting period starts from May 11, 2013 and ends on June 10, 2013. The e-voting module shall also be disabled by CDSL for voting members.

Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956

Item No. 1

As per section 293(1) (d) of the Companies Act 1956, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

Members of the Company on June 5, 2009 through postal ballot had authorized the Board under Section 293(1)(d) of the Companies Act, 1956 to borrow monies up to Rs. 3000 crores.

With a view to meet the funds requirements for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit may likely to be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company upto **Rs.6000 Crores** (Rupees Six Thousand Crores Only).

The Directors recommends the resolution for members' approval as an **Ordinary Resolution**.

None of the directors is any way concerned or interested in this resolution.

Item No. 2

The Company is required to create security for the said facilities in favour of the Lenders/ Trustees for the Non Convertible Debentures and loans/ financial assistance availed by the Company, by way of creation of mortgage and/ or charge on the assets of the Company, as stated in the resolution.

In furtherance to the Resolution No. 1 of this notice, the said borrowings/ issue of securities may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 293(1)(a) of the Companies Act, 1956, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding Rs. 6000 Crores (Rupees Six Thousand Crores Only).

Your Directors recommend the resolution for your approval as an **Ordinary Resolution**.

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 3

The existing Articles of Association of the Company do not contain any provision relating to appointment of Nominee Directors. Accordingly, it is proposed to amend the Articles by inserting new clauses as stated in the resolution. Pursuant to the provisions of Section 31 of the Companies Act 1956, any amendments in the Articles of Association of the Company require the approval of the Shareholders of the Company by way of Special Resolution. Accordingly, consent of the Shareholders by way of special resolution has been sought in terms of Section 31 of the Companies Act, 1956.

Further, the Board of Directors of the Company had approved the alteration of the Articles of Association of the Company, subject to the approval of the shareholders of the Company and the Ministry of Corporate Affairs or any other government / regulatory Authority,
The Board of Directors of the Company recommends the resolution as set out in the Notice for approval of the Shareholders by way of a **Special Resolution**.

None of the Directors of the Company is concerned or interested in this resolution.

Item No. 4

Pursuant to the recommendations made by the Remuneration Committee in its meeting held on March 29, 2013 the Board of Directors have approved the re-appointment of Mr. Deepinder Singh Bedi as a Whole-Time Director for a period of 3 years w.e.f. April 1, 2013. The Board of Directors in their meeting held April 25, 2013 have approved the notice containing resolution for re-appointment of Mr. Deepinder Bedi for the aforesaid tenure on a remuneration as stated in the Resolution.

I. GENERAL INFORMATION:

- Nature of Industry:** Tulip Telecom Limited is India's largest MPLS VPN player and provides complete infrastructural IT solutions to mission critical industries. Tulip Telecom Limited is a data telecom service and IT solutions provider that offers innovative IP based infrastructural solutions. We are India's largest MPLS VPN player and have been the front-runner in provisioning and managing multi location wide area networks for various industry verticals. We provide largest real time networks in India, enabling industries to integrate and interact with other businesses, and to access the data and applications they need over secure and managed domestic as well as global communication platforms. We provide largest real time networks in India, enabling industries to integrate and interact with other businesses, and to access the data and applications they need over secure and managed domestic as well as global communication platforms.
- Date or expected date of commencement of commercial production:** The Company was incorporated on 19th May, 1992.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N.A.
- Financial performance based on given indicators as per Audited Financial Results for the year ended September 30, 2012:**

Particulars	For the year ended 30th September, 2012 (Rs. In Crores)	For the year ended 31st March, 2011 (Rs. In Crores)
Turnover and Other Income	4062.50	2350.76
Net Profit/ (Loss) as per Statement of Profit & Loss	433.06	308.45

- Export performance and net foreign exchange collaborations:**

Particulars	For the year ended 30th September, 2012 (Rs. In Crores)	For the year ended 31st March, 2011 (Rs. In Crores)
Earnings in Foreign Exchange	Nil	0.95
Expenditure in Foreign Currency	15.73	8.53

- Foreign investments or collaborators :** The Company has two foreign wholly owned subsidiaries namely Tulip Telecom Inc., USA & Tulip IT Services Singapore Pte. Ltd.

II. INFORMATION ABOUT THE APPOINTEE:

- Background Details:** Mr. Deepinder Singh Bedi is a B.E. from Nagpur University and M.B.A. from Boston University, USA and possesses rich and varied knowledge in the field of Sales and Marketing. Mr. Deepinder Singh Bedi joined the company in 2000 as a management trainee and has been associated with the company since then. Under his role as the Executive Director of the company, Mr. Deepinder Singh Bedi served on Tulip's board and was responsible for developing and executing the company's long-term growth strategies. He was overall incharge of Sales and Marketing function of the Company.
Mr. Deepinder Bedi had also worked in different roles for EMC Corporation and done projects for State Street Bank in the US and has been an active member of various industry chambers including CII and ASSOCHAM.
- Past Remuneration:** Mr. Deepinder Bedi had drawn a remuneration of Rs. 4,50,00,000/- during the financial year 2011-12 as the Whole-Time Director of the Company. The remuneration is inclusive of basic salary, perquisites, allowances & other benefits.
- Job Profile and Suitability of the Appointee:** Under his leadership the Company has achieved a tremendous growth in a very short span of time. A high standard of professionalism, integrity and corporate ethics is what he always strived for in the organization. Besides his qualifications, he is a person of outstanding caliber and possesses vast experience and capabilities for managing the increasing business activities of the Company. Accordingly, Mr. Deepinder Singh Bedi, with his qualifications & experiences is best suited to the said position.
- Remuneration Proposed:** As provided in the resolution
- Comparative remuneration profile with respect to the industry, size of the Company, profile of the position and person:** The proposed remuneration payable to Mr. Deepinder Singh Bedi is justified compared to remuneration paid in the telecom industry and the size of the Company.
- Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Lt. Col. (Retd.) H.S. Bedi the Chairman & Managing Director of the Company is father of Mr. Deepinder Singh Bedi. Further Mr. Deepinder Singh Bedi holds 12,000 shares of the Company in his name.

(III) OTHER INFORMATION :

Effects of Macro Economic Conditions on the Company: As a result of the current economic slowdown, many enterprises have started cutting down their IT and telecom spending, impacting the revenue growth of the Company. In order to retain customers, the Company had to resort to pricing discounts that may impact the profitability. However considering the past position of Company & strong customer base the Company hopes to overcome the current slowdown

The aforesaid resolution would require the approval of the shareholders of the Company pursuant to Sections 198, 269, 309, 316 read with Schedule XIII of the said Act and other applicable provisions of the Companies Act, 1956.

Apart from Lt. Col. (Retd.) H.S. Bedi being related to Mr. Deepinder Singh Bedi none of the other directors is deemed to be interested/concerned in the Special Resolution contained under Item No. 4 of the Notice.

The terms of appointment, as stated herein, shall be treated as the abstract of terms of appointment and the Memorandum of Interest as required to be circulated to the members of the Company in accordance with Section 302 of the Companies Act, 1956.

The Directors recommend the Resolution for approval of Shareholders by way of a Special Resolution.

**By Order of the Board,
For Tulip Telecom Limited,**

Sd/-

**Sumit Chandhok
Company Secretary**

**Date : April 25, 2013
Place : New Delhi**