

Chapter-2 (Manual . 1)
Particulars of Organization, Functions and Duties

The Company functions under the provisions of Companies Act, 1956 and the activities of the Company are regulated by its Memorandum and Articles of Association.

CERTIFICATE OF INCORPORATION

Co.No. 603 (640)/49-50



नाम में तब्दीली के परिणामस्वरूप नियमन के लिए नया प्रमाण-पत्र
FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
ON CHANGE OF NAME

कम्पनियों के रजिस्ट्रार के कार्यालय में.....
[कम्पनी अधिनियम 1956 (1956 का 1) के अधीन]
In the Office of the Registrar of Companies, Karnataka, Bangalore,
(Under the Companies Act, 1956 (1 of 1956))

.....के विषय में।
IN THE MATTER OF INDIAN TELEPHONE INDUSTRIES LIMITED.

मैं एतद्वारा प्रमाणित करता हूँ कि.....परिसीमित जिसका नियमन मूलतः 19.....के.....
दिन इस.....रजिस्ट्रार के अधीन और.....परिसी
द्वारा किया गया था कम्पनी अधिनियम 1956 की धारा 21/22 (1) (क)/22 (1) (ख) के निबंधनों के अनुसार आवश्यक संकल्प
पुकी है और इसकी बाबत केन्द्रीय सरकार की लिखित अनुमति कम्पनी कार्य विभाग द्वारा प्रदान कर दी गई है।
I hereby certify that Indian Telephone Industries Limited, which was originally incorpor
Twenty Fifth day of January 1950 under the Mysore Co
and under the name Indian Telephone Industries Private Limited having duly Passed the ne
resolution in terms of section 21/22(1)(a)/22(1)(b) of Companies Act, 1956, and the approval of the
Government signified in writing having been accorded thereto in the Department of Company Affairs

केन्द्रीय निदेशक के तारीख.....19.....के पत्र सं०.....द्वारा
जाने पर उक्त कम्पनी का नाम इस दिन.....परिसीमित में तब्दील कर दिया गया है।
प्रमाण-पत्र उक्त अधिनियम की धारा 23(1) के अनुसार में जारी किया जाता है।

Registrar of Companies, Karnataka, Bangalore letter No. STA (PR)/603/CN
dated 7.1 1994 the name of the said company is this day changed to ITI LIMITED

.....limited and this certificate is issued pursuant to section 23(1) of the said A
मेरे हस्ताक्षर से यह तारीख.....

को दिया गया।
Given under my hand at Bangalore this 24th day of January
(One thousand nine hundred Ninety Four)

(V. SREENIVASA RAO
कम्पनियों का रजिस्ट्रार
Registrar of Companies
Karnataka, Bangalore.

MEMORANDUM OF ASSOCIATION OF ITI LIMITED

1. The name of the Company is ITI LIMITED.
- II. The Registered Office of the Company will be situated in the State of Karnataka.
- III. The objects for which the Company is established are :
 - 1 (a) To carry on in India or in any part of the world all kinds of business relating to the manufacture, assembly, fitting up, repairing, converting, overhauling, maintaining, rendering services of all and every kind and description, buying, selling, exchanging, altering, hiring, letting on hire, improving, repairing and dealing in telephone, telegraph, radio and railway signaling and facsimile equipment of all kinds and descriptions and in particular switching systems and apparatus including all equipment within central offices, private branch exchanges or other similar switching centres for establishing, maintaining and releasing telephone circuits including all related signaling, supervisory and controlling equipment, traffic control, remote control and regulating appliances together with instrumentalities for testing, observing and maintaining such equipment, equipment for registering, recording, controlling, computing or accounting of monetary charges or other factors pertaining to telephone, telegraph, radio and railway signaling and facsimile communications, all instrumentalities of the types used on subscribers' or other users' stations for furnishing telephone, telegraph, radio, railway signaling and facsimile services and for use by personnel engaged in the construction, maintenance or operation of the plant employed in giving such service equipment for transmitting signals and currents representing speech over a landline, a cable conductor or a radio link including carrier current equipment for producing modulated waves and transmitting such waves over a landline, a cable conductor or radio link and demodulating such waves and includes repeaters, echo suppressors, accessories, loading coils, filters and other instrumentalities for improving or controlling the transmission of signals or currents involved in telephone, telegraphs, radio and railway signaling and facsimile communications; and also to manufacture, sell, buy, repair, alter, and exchange, let on hire, export, import, and deal in all kinds of articles and things which may be required for the purposes of the business or which may seem capable of being profitably dealt with in connection with any of the business of the Company; and also to act as agents for Government or Public Authorities or for any manufacturers, merchants and others and to carry on agency business of any description connected with the Company.
 - (b) To acquire, provide, construct, establish and maintain factories, workshops, buildings, machinery, warehouses and other conventions.
 - (c) To establish, maintain, and operate training schools for apprentices, artisans, engineers, mechanics or any employees or personnel employed in connection with any of the business of the Company.
 - (d) To construct, erect, run, lay down, establish, fix and carry out all necessary cables, wires, lines, poles, strays and structures, cable chambers, manholes, ducts and distribution boxes.
 - (e) To manufacture plastics, plasticines, resins, and any other materials or substances.
 - (f) To manufacture, buy, sell, exchange, and/or install, dry cells, relays, meters, lamps, condensers, valves, rectifiers and air-raid precautions equipment.
2. To carry on the business of telephone engineers, telegraphs, radio and railway signaling and facsimile contractors, consulting engineers, mechanical engineers, machinists, fitters, millwrights, founders, wire drawers, enamellers, electroplaters and painters, suppliers of telephone, telegraph, radio, railway signaling and facsimile equipment and apparatus electric, magnetic, galvanic and other apparatus.

- 3.To manufacture, buy, sell, exchange, lease, install, work, alter, improve, manipulate, prepare for import or export and otherwise deal in all kinds of plant and machinery, apparatus, tools, utensils, substances, materials, computer systems and software's and things necessary or convenient for carrying on any of the business which the Company is authorised to carry on or usually dealt in by persons engaged in such business.
- 4.To carry on in India and elsewhere the business of iron masters, steel makers, steel converters, manufacturers of Ferro-manganese, engineers, tinsplate makers and iron founders in all their respective branches and to conduct workshops and/or foundries or iron and brass, wood and any other substances.
- 5.To purchase, take on lease under license or concession or otherwise, lands, buildings, works, licenses, leases and any rights and privileges or interest therein and to explore, work, exercise, develop and to turn to account the same.
- 6.To search for and to purchase or otherwise acquire from any Government, State or Authority, and licenses, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of or being turned to account in consonance with the objects of the Company and to work, develop, carry out exercise, and to turn to account the same.
- 7.To purchase, take on lease or in exchange or under amalgamation, license or concession or otherwise, absolutely or conditionally, solely or jointly with others and make, construct, maintain, work, hire, hold, improve, alter, manage, let, sell, dispose of, exchange lands, buildings, warehouses, works, factories, mills, workshops, railways sidings, tramways, engines, machinery and apparatus, water rights, way leaves, trade marks, privileges or rights of any description or any kind in consonance with the objects of the Company.
- 8.To construct, execute, carry out, improve, work, develop, administer, manage, or control in India and elsewhere, works and conveniences of all kinds which expression in this Memorandum includes railways, tramways, improvement, sewage, drainage, sanitary, water, gas, electric lights, telephonic, telegraphic, and power supply works, warehouses, buildings and all other works of convenience whatsoever.
- 9.To apply for tender, purchase, or otherwise acquire any contract and concessions for or in relation to the construction, execution, carrying out, equipment, improvement, management, administration or control of works and conveniences and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
- 10.To enter into any contract, or arrangement for the more efficient conduct of the business of the Company or any part thereof and to sublet any contracts from time to time.
- 11.To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments, to undertake and carry on scientific and technical researches, experiments, and tests of all kinds, to promote studies and researches both scientific and technical, investigations and inventions by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorized to carry on.
12. To take, or otherwise acquire, and hold shares in any other Company having objects altogether or in part similar to those of this Company and to underwrite solely or jointly with another or others shares in any such Company. To take or otherwise acquire shares in any other Company if the acquisition of such shares seems likely to promote further or benefit the business or interest of this Company.
- 13.To acquire or take over with or without consideration and carry on the business of managers, secretaries, and agents or managing agents by themselves or in partnership with others, of companies or partnership or concerns whose objects may be similar in part or in whole, to those of the Company.

14. To carry on any other trade or business which may seem to the Company capable of being conveniently carried on in connection with any of the company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
15. To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business, which the Company is authorised to carry on or possessed of property suitable for the purposes of this Company.
16. To let out on hire or lease all or any of the property of the Company whether immovable or movable including all and every description of apparatus or appliances.
17. To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interest, cooperation, joint adventure, reciprocal concession or otherwise or amalgamate with any person or Company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in any business, undertaking or transaction which may seem capable of being carried or conducted so as directly or indirectly to benefit this Company, or otherwise calculated directly or indirectly to render any of the Company's properties or rights for the time being profitable.
18. To guarantee the payment of money unsecured or secured; to guarantee or become sureties for the performance of any contracts or obligations.
19. To sell, let, lease, exchange or otherwise deal with the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company and if thought fit to distribute the same among the shareholders of this Company.
20. To pay for any properties, rights or privileges acquired by the Company, either in shares of the Company or partly in shares and partly in cash, or otherwise.
21. To promote and undertake the formation of any institution or company for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company or form any subsidiary company or companies, and to carry on any business which may seem capable of being carried on conveniently with the business or objects of this Company and to acquire any interest in any industry or undertaking.
22. To procure the incorporation of, registration or other recognition of the Company in any country, State or place and to establish and regulate agencies for the purpose of the Company's business and to apply for or join in applying to any Parliament, Government, Local, Municipal or other Authority or Body, British, Colonial or Foreign and to obtain, or in any way, assist in obtaining any Acts of Parliament, laws, decrees, concessions, orders, rights, or privileges that may seem conducive to the Company's objects or any of them and to oppose any proceedings or applications which may seem calculated directly or indirectly, to prejudice the Company's interests.
23. To lend money on mortgage of immovable property or on hypothecation or pledge of movable property or without security to such persons and on such terms as may seem expedient and in particular to customers of and persons having dealings with the Company.
24. To transact and carry on all kinds of Agency business.
25. To acquire or hold shares in any undertaking of Company, to acquire the right to use or manufacture and to put up telegraphs, telephones, phonographs, radio transmitting or receiving stations, or sets, dynamos, accumulators and all apparatus in connection with the generation, accumulation, distribution, supply and employment of electricity or any power that can be used as a substitute thereof, including all cables, wires, or appliances for connecting apparatus at a distance with other apparatus and including the formation of exchanges or centres.

26. To apply for, purchase or otherwise acquire and obtain, prolong and renew any patents, brevets d'invention, licenses, permissions, concessions, processes and the like conferring any exclusive or limited right (either in point of time or otherwise) to use the same or any secret or other information as to any invention which may seem capable of being used for any purposes directly or indirectly to benefit the Company and to use, exercise and develop or grant licenses in respect of or otherwise turn to account any such patents, inventions, licenses, permissions, concessions, processes and the like and the information so acquired, and to spend money in experimenting upon and testing, improving or seeking to improve any patents, inventions or rights which the company may acquire or propose to acquire.
27. To enter into any arrangements with the Government of India or any Local or Provincial Government or Government of a State or Union of States, in India, or with the Government of any other State, country or dominion or with any authorities, local or otherwise, or with any Rulers, Chiefs, Landholders or other persons that may seem conducive to the Company's objects or any of them and to obtain from them any rights, powers, and privileges, licenses, grants and concessions, which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
28. To provide for the welfare of employees or ex-employees of the Company and the wives and families of the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chaws or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to Provident Fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit, and to subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or other institutions or objects or purposes.
29. To distribute any of the property of the Company among the members in species or kind but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
30. To make, draw, accept, endorse, execute, and issue Cheques, Promissory Notes, Bills of Exchange, Bills of Lading, Debentures and other negotiable or transferable instruments.
31. To guarantee and issue the due payment, fulfillment and performance of contracts and obligations of any kind or nature.
32. To give guarantees, and carry on and transact every kind of guarantee and counter-guarantee business and in particular to guarantee the payment of any principal moneys, interests or other moneys secured by or payable under any debentures, bonds, debenture stock, mortgages, charges, contracts, obligations and securities, and the payment of dividends on and the repayment of the capital of stocks and shares of all kinds and descriptions.
33. To insure any of the properties, undertakings, contracts, guarantees or obligations of the Company of every nature and kind in any manner whatsoever.
34. To invest and deal with the moneys of the Company in any securities, shares, investments, properties, movable or immovable, and in such manner as may from time to time be determined and to sell, transfer or deal in with the same.
35. To adopt such means of making known the businesses and/or products of the Company or of any company in which this Company is interested as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
36. To borrow or raise money or to receive money on deposit at interest or otherwise in such manner as the Company may think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise,

including debenture or debenture stock convertible into shares of this Company, or perpetual annuities; and in security of any such money so borrowed, raised or received, to mortgage, pledge, or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by assignment or

37. otherwise or to transfer or convey the same absolutely or in trust and to purchase, redeem, or pay off any such securities.
38. To remunerate any person, firm or Company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures or debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
39. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them and as principal agents, contractors, trustees, agents or otherwise and either alone or in conjunction with others, and that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority partnership or other body of persons whether incorporated or not incorporated.
40. To dedicate, present or otherwise dispose of either voluntarily or for value, any property of the Company deemed to be of national, public or local interest, to any national trust, public body, museum, corporation, or authority or any trustees for or on behalf of any of the same or of the public.
41. The objects set forth in any sub-clause of this clause shall not be in any wise limited or restricted by reference to or inference from the terms of any other sub-clause or by the same of the Company. None of such sub-clauses or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause of this clause but the Company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the business, undertakings, property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub-clause of this clause.
42. To plan, finance, establish, develop, provide, operate and maintain all types of Telecommunication Services including but not restricted to Telephone, Telex, Wireless, Data Communications, Telematic and other Value added services, Long distance trunk services, Satellite based services with or without hiring transponders under license and/or delegated powers under Indian Telegraph Act from the Telegraph Authority and/or the Central Government in India and abroad.
43. To manufacture, buy, sell, exchange, lease, install, work, alter, improve, manipulate, prepare for import or export and otherwise deal in the areas of Consumer, Industrial, Medical and Strategic Electronics, Computer Systems, Hardwares and Software's and Communications.
44. To provide service Telecommunication facilities of all types to the Telecom Commission and its units functioning in the areas managed by the Company and to work in close liaison with the Telecom Commission and Department of Telecommunications in the matters of :-
 - (a) Overall development of Telecommunication services in India and in the field of Overseas Communications.
 - (b) Technical specifications, standards and norms of services in the local and long distance communication.
 - (c) Inter connection of the local networks services, long distance transmission systems and Overseas Communication systems managed by the Department of Telecommunications or any other Organisation /Company.

(d) Implementation of any order and/or directive issued from time to time under the Indian Telegraph Act or Rules framed thereunder by the Telegraph Authority or any office duly authorised by the Telegraph Authority or the Act.

(e) Introduction of new services.

(f) Sharing of revenues collected by the Company for various services with the Department of Telecommunications or any other agency for the usage of the facilities provided by them and vice-versa.

(g) Utilisation of the infrastructure facilities of the Department of Telecommunications like Quality Assurance and Inspection, Training, Telecommunications Engineering Centre, Stores and Factory Organisation, etc by the Company on mutually agreed terms till such time as required by the Company.

44. To raise necessary financial resources for development needs for Telecommunication services in the areas managed by the Company and also for the other parts of the Telecommunication network in India and abroad.

IV. The liability of the members is limited.

V. The Authorised Share Capital of the Company is Rs. 700,00,00,000 (Rupees Seven hundred crores only) divided into 30,00,00,000 Equity Shares of Rs. 10/- each and 4,00,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each with the rights, privileges and conditions attaching there to as may be provided by the Articles of Association of the Company for the time being with power to the Company to increase or reduce the capital and to issue in parts of its capital original or increased with or without any Preference, priority or special privileges or subject to postponement of rights or to any conditions or restrictions and with power to vary any rights in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company.

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

<i>NAME</i>	<i>Address</i>	<i>Number of Shares</i>	<i>Signature of Witness</i>
Governor General of India by V.K.R. Menon, I.C.S. Secretary, Ministry of Communications	Secretariat New Delhi	10000	K.V. Venkatachalam
A.F. Bennett, M.I.E.E. Jt. General Manager, For and on behalf of the Automatic Telephone & Electric Co. Ltd.	Strawger House, 8, Arundel Street, London W.C.2, England.	6667	Chas. E Hay
V.K.R. Menon	Secretary, Ministry of Communications, Secretariat (North Block), New Delhi.	100	K.V. Venkatachalam

<i>NAME</i>	<i>Address</i>	<i>Number of Shares</i>	<i>Signature of Witness</i>
R.Narayanaswami	Joint Secretary to the Government of India, Ministry of Finance(C), New Delhi.	100	N.C. Bose

dated Twenty fifth day of January, 1950

ARTICLES OF ASSOCIATION OF ITI LIMITED

1. In these Articles, unless there is something in the subject matter or context inconsistent therewith :

"The Company" means the above named Company.

"The Act" or "the said Act" means the Companies Act, 1956, or the Act or Acts for the time being in force concerning Joint Stock Companies and affecting the Company.

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

In these Articles the expression " Government of India" shall include "The President".

"The President" means the President of India.

"The Register" means the register of members to be kept pursuant to the Act.

"Dividend" includes bonus.

"Month" means calendar month.

"In writing" and "written" include printing, lithography and other modes representing or reproducing words in a visible form.

"The Directors" means the Directors for the time being of the Company.

"Special Resolution" has the meanings assigned thereto by the said Act.

"Executor" or "Administrator" means a person who has obtained Probate or Letters of Administration, as the case may be, from some competent court.

"Capital" means the capital for the time being raised or authorised to be raised for the purposes of the Company.

"Shares" means the shares or stock into which the capital is divided and interest corresponding with such shares or stock.

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

"A person" shall include any Company or association or body of individuals whether incorporated or not as defined in Section 3(42) of the General Clauses Act, 1897.

“Seal” means the Common Seal for the time being of the Company.

“Regulations of the Company” means the regulations for the time being for the Management of the Company.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

Words importing the masculine gender include the feminine gender.

Words importing persons include Corporations.

Expression in the Act to bear same meaning in the Articles.

Subject as aforesaid, any words or expressions defined in the Act shall except where the subject or context forbids, bear the same meaning in these Articles.

2.DELETED

3.The regulations contained in Table "A" in Schedule I of the Companies Act, 1956 (hereinafter referred to as Table "A"), shall apply to the Company, subject to and except in so far as they are amended or altered by the following Articles.

4.No part of the funds of the Company shall be employed in the purchase of or in loan on the security of shares of the Company.

5A. Subject to the provisions of the Act and these Articles the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions as they think fit, whether at par or at a premium or at a discount and for such consideration as the Directors think fit; provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.

5AA. Subject to the provisions of Section 80 of the Companies Act, the Company shall have power to issue preference shares carrying such fixed rate of dividend including Cumulative Preference Shares which are liable to be redeemed and the resolution authorising each such issue shall prescribe the rate of dividend, manner, terms and conditions of redemption.

(a) The Redeemable Cumulative Preference Shares shall carry a right to redemption out of profits or out of the proceeds of the fresh issue of shares made for the purpose of such redemption and or liable to be redeemed at the option of the Company and the Board of Directors may, subject to the provisions of the Act and these Articles, exercise such powers in any manner the Board may think fit and proper including power to purchase, such

(b) Preference Shares in the open market and redeem them earlier than the due date fixed for their redemption.

(b) The said Redeemable Cumulative Preference Shares shall confer the right on the registered holders thereof to be paid out of any profits that may at any time be determined to be distributed among the members, a Cumulative Dividend of or at such rates as may be determined by the Board of Directors at the time of each issue of such Redeemable Cumulative Preference Shares.

(c) The Redeemable Cumulative Preference Shares also confer the right on the holders thereof in case of a winding up to the payment of Capital and any arrears of Cumulative Dividend set out in the preceding clause (b) above, whether earned, declared or not up to the date of commencement of the winding up in preference to the equity shares and shall not confer any further right to participate in the profits or to surplus assets of the Company.

- (d) In calculating any fixed percentage in the paid up capital on any shares for the purpose of the Article, such percentage shall be calculated up to the period for which the dividend is declared and in respect of interim dividend as on and up to the date of declaration of such interim dividend by the Board of Directors.
- (e) The Redeemable Cumulative Preference Shares shall rank for dividend from such dates as may be determined by the Board of Directors of the Company at the time of each issue of the said Redeemable Cumulative Preference Shares.
- (f) The Redeemable Cumulative Preference Shares shall be liable to be redeemed at par either in whole or in part at the discretion of the Board or the General Meeting of the Company or as may be specified at the time of each issue of such Redeemable Cumulative Preference Shares.
- (g) The Redeemable Preference Shares shall have no voting rights at any time notwithstanding anything contained in Section 87 of the Act.
- (h) The Board shall also have the right to issue Preference Shares with right or option to convert into equity shares.

5B. The Authorised Share Capital of the Company is Rs.700,00,00,000 (Rupees Seven hundred crores only) divided into 30,00,00,000 equity shares of Rs.10/- each and 4,00,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each with power to the Board of Directors to fix the rate of Dividend on the Preference Shares and to decide the terms and conditions of issue of Preference Shares.

Share / Bond Certificates

- 6A. Every person whose name is entered as a member in the Register shall, without payment be entitled to a Certificate under the Common Seal of the Company specifying the Share or Shares held by him and the amount paid thereon.
- 6B. The share certificate shall be issued in market lots and where share certificates are issued in either more or less than market lots, subdivision or consolidation of share certificates into market lots shall be done free of charge. Similarly, every person who is a Bond holder and whose name has been entered in the Register of Bond Holders, shall be entitled to, free of charge, one or more Certificates in marketable lots under the Common Seal of the Company specifying the Bond or Bonds held by him, the amount secured thereon and the rate of interest payable.

Provided, that in respect of share(s) or Bond(s) held jointly by several persons, delivery of certificates for share(s) or Bond(s), as the case may be, to one of several joint holders shall be sufficient delivery to all.

Issue of new share certificates in place of one defaced, lost or destroyed.

- 7. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, and on such terms, if any, as to evidence and indemnity as the Directors think fit.

Issue of new bond certificates in place of one old, decrepit, worn out etc.

Where the Bond Certificates are issued in either more or less than the market lots, subdivision or consolidation, or for issue of new bond certificates in replacement of those which are old, decrepit, worn out or where the cages on the reverse for recording endorsement have fully utilised, shall be done free of charge.

Calls on Shares

8. The Directors may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares and specify the time or times of payments, and each member shall pay to the Company at the time or times so specified the amount called on his shares.

Provided, however, that the Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call.

When interest on call payable

9. If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof the holder for the time being or allottee of the share in respect of which a call shall have been made, shall pay interest on the same at such rate not exceeding 6 per cent per annum as the Directors shall fix, from the day appointed for the payment thereof to the time of actual payment, but the Director may waive payment of such interest wholly or in part.

Forfeiture of shares

10.(1) If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

(2) The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

(3) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

(4) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(5) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Effects of forfeiture

11.(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(2) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

Declaration of forfeiture

- 12.(1) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (2) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (3) The transferee shall thereupon be registered as the holder of the share.
- (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Provisions regarding forfeiture to apply in the case of non-payment of sums payable at a fixed time

13. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Payment in anticipation of calls may carry interest

14. The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies due upon the share held by him beyond the sums actually called for and upon the monies so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 6% per annum as the Members paying such sum in advance and Directors agree upon, and Directors may, at any time, re-pay the amount so advanced upon giving such Member three months notice in writing.

That any amount paid in advance of calls on any share may carry interest but should not in respect of such advances confer a right to the Dividend or to participate in profits or to any voting rights.

Joint-holders liability to pay

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

Company's Lien on Shares

16. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such
17. shares. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of transfer of shares shall operate as waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares to be wholly or in part to be exempt from the provisions of this clause.

Enforcement of lien by sale

18. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of amounts in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled, by reason of his death or insolvency, to the share.

Application of proceeds of sales

19. The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Transfer and Transmission of Shares

20.(a) The registration of transfer shall not be refused on the ground that the transferor is either alone or jointly with any other person/persons indebted to the Company on any account whatsoever.

(b) No fee shall be charged for transmission of shares, or for registration of any Power of Attorney, Probate, Letters of Administration or other similar documents. No fee shall also be charged for registration of transfers or for issue of new certificates in replacement of those which are old, decrepit, worn out or where the cages on the reverse for recording transfers have been fully utilised.

(c) Notwithstanding anything contained in these Articles, the Board may in its absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares, in particular and without prejudice to the generality of the above powers, the Board may subject to the provisions of the Section 111 of the Companies Act, so decline to register in exceptional circumstances when it is felt that the transferee is not a desirable person from the larger point of view of the interest of

the Company as a whole, and also subject to the provisions of Section 22A of Securities Contract (Regulation) Act.

Notice of refusal to register transfer

20. If the Directors refuse to register the transfer of any shares they shall, within two months, send to the transferee and the transferor notice of the refusal.

Company not bound to recognise any interests in shares other than that of the registered holders

21. Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent Jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof.

Execution of Transfer

22. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Form of Transfer

23. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and of any statutory modifications thereof for the time being shall be duly complied with respect to all transfers of shares and the registration thereof.

Transfer to be left at office and evidence of title to be given

24. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such evidence the Company may require to prove the title of the transferor, or his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

Transmission by operation of Law

25. Nothing contained in Article 19 shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

Fee on Transfer

26. No fee shall be charged for registration of transfer of shares or bonds. No fee shall also be charged for transmission of bonds or for registration of any Power of Attorney, Probate, Letters of Administration or other similar documents.

Director's right to refuse registration

27. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as, if he were the transferee named in an ordinary transfer presented for registration.

When register of members and debenture holders may be closed

28. The register of members or the register of debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time after giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated.

Power to increase capital

29. The Company in General Meeting shall have the powers to increase or reduce the share capital in the manner provided for and in accordance with the provisions of Sections 94 and 100 of the Act.

On what conditions new shares may be issued

30. The Company in General Meeting may determine that, any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting; or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

Provided that no shares (not being preference shares) shall be issued carrying voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the right attaching to the holders of other shares (not being preference shares).

How far new shares to rank with shares in original capital

31. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, transfer and transmission, lien, voting, surrender and otherwise.

New shares to be offered to members

32. The new shares shall be offered to the members in proportion to the existing shares held by each member and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares, offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

Deduction of capital etc.

33. Subject to the provisions of Sections 100 to 104 of the Act and to such directions as may be issued by the President in this behalf, the Company may, from time to time, by special resolution reduce its capital by paying off capital or canceling capital which has been lost or is unrepresented by available assets, or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise; and the Director may, subject to the provisions of the Act, accept surrenders of shares.

Sub-division and consolidation of Shares

34. Subject to the approval of the President, the Company in general meeting may, from time to time, subdivide or consolidate its shares or any of them and exercise any of the other powers conferred by Section 94 of the Act and shall file with the Registrar such notice of exercise of any such power as may be required by the Act.

Power to modify

35. If at any time, the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act and further subject to the approval of the President be modified, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class,

provided such agreement is (a) ratified in writing by the holders of at least three-fourths of the nominal value of the issued shares of that class, or (b) confirmed by a resolution passed at a separate General Meeting and supported by the votes of at least three-fourths of the holders of shares of that class and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one-fifth of the nominal amount of then issued shares of that class.

Power to Borrow

36. Subject to the provisions of Section 292, 293 and other relevant provisions of the Act, the Board may by means of a Resolution passed at a Meeting of the Board from time to time, borrow and/or secure the payment of any sum or sums of money for the purposes of the Company.

Condition on which money may be borrowed

37. The Board may secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by a Resolution passed at a Meeting of the Board (and not by Resolution by Circulation) by the issue of Bonds, perpetual or redeemable debentures or debenture stock or any mortgage charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its un called capital for the time being.

Securities may be assignable free from equities

38. Debentures, debenture-stock, bonds or other securities, may be made assignable free from any equities between the Company and the person to whom the same may be issued

Debentures, bonds, etc. of the Company shall be transferred or transmitted in accordance with the procedure prescribed for shares in Section 108 of the Companies Act and the prevailing rules made thereunder by Central Government from time to time.

Issue of discount, etc. or with special privileges

39. Subject to approval of President, any debenture, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

Inviting/Accepting Deposits

39A. Subject to the provisions of the Sections 58A & 58B, 292 and 293 of the Companies Act and the rules made thereunder from time to time, the Board of Directors may, from time to time, by means of a resolution passed at the meeting of the Board, invite and/or accept deposits from members of the public and/or employees of the Company and/or otherwise at such interest rates as may be decided by the Board.

Persons not to have priority over any prior charge

40. Whenever any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the shareholders or otherwise, to obtain priority over such prior charge.

Indemnity

41.If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

General Meetings

42.The first Annual General Meeting of the Company shall be held within 18 months of its incorporation and thereafter an Annual General Meeting shall be held within 6 months after the expiry of each financial year. Except in the case when for any special reason time for holding any Annual General Meeting (not being the first Annual General Meeting) is extended by the Registrar under Section 166 of the Act, no greater interval than 15 months shall be allowed to elapse between the date of one Annual General Meeting and that of the next. Every Annual General Meeting shall be held during business hours on a day other than a public holiday either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated, and the notices calling the meeting shall specify it as the Annual General Meeting. Such General Meetings shall be called "Ordinary Meetings" and all other meetings of the Company shall be called "Extraordinary Meetings".

When extra-ordinary meeting to be called

43.The Directors may, whenever they think fit and they shall, on the requisition of the holders of not less than one-tenth of the Paid-up Capital of the Company as at that date carries the right of voting in regard to the matter forthwith proceed to convene an extraordinary meeting of the Company, and in the case of such requisition the following provisions shall have effect

- (1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office and may consist of several documents, in like form each signed by one or more requisitionists.
- (2) If the Directors of the Company do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called for the consideration of these matters on a day not later than forty-five days from the date of the deposit of the requisition, the requisitionists or a majority of them in value may themselves convene the meeting, but any meeting so convened shall be held within three months from the date of the deposit of the requisition.
- (3) Any meeting convened under this Article by the requisitions shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.

If, after a requisition has been received, it is not possible for a sufficient number of Directors to meet in time so as to form a quorum, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meeting may be convened by the Directors.

Notice of meeting

- 44 (1) A general meeting of the Company may be called by giving not less than twenty-one days notice in writing.
- (2) A general meeting may be called after giving shorter notice than that specified in Clause (1) of the Article if consent is accorded thereto:
 - (i) in the case of an annual general meeting, by all the members entitled to vote thereat: and
 - (ii) in the case of any other meeting and subject to the provisions of Section 171 of the Act, by members of the Company holding not less than ninety-five percent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting.

Omission to give notice

45. The accidental omission to give any such notice to or the non-receipt of any such notice by any member shall not invalidate the proceedings at any meeting.

Business of an ordinary meeting

46. The business of an ordinary meeting shall be to receive and consider the Profit and Loss account, the Balance Sheet, and the Report of the Directors and of the Auditors, to declare dividends and to transact any other business which under these Articles ought to be transacted at any ordinary meeting.

All other business transacted at an ordinary meeting and all business transacted at an extra-ordinary meeting, shall be deemed special.

Quorum

47. Five members present in person shall be a quorum for a General Meeting.

Right of President to appoint any person as his representative

48. (1) The President, so long as he is share holder of the Company, may from time to time appoint one or more persons (who need not be a member or members of the Company) to represent him at all or any meetings of the Company.
- (2) Any of the persons appointed under sub-clause (1) of this Article who is personally present at the meeting shall be deemed to be member entitled to vote and be present in person and shall be entitled to represent the President at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.
- (3) The President may, from time to time, cancel any appointment made under sub-clause (1) of the Article and make fresh appointments.
- (4) The production at the meeting of an order of the President evidenced as provided in the Constitutional of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
- (5) Any person appointed by the President under this Article may, if so authorised by such order, appoint a proxy, whether specially or generally.

Chairman of general meeting

49. The Chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman, and, if no Director shall be present, or if all the Directors present decline to take the Chair then, the members present shall choose one of their number to be Chairman.

When if quorum not present meeting to be dissolved and when to be adjourned

50. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved: but in any other cases it shall stand adjourned

to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present those members who are present shall be the quorum and may transact the business for which the meeting was called.

How questions to be decided at meetings

51. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.

What is to be evidence of the passing of a resolution where poll not demanded.

52) At any general meeting a resolution put to vote shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) ordered to be taken by the Chairman of the Meeting of his own motion or is demanded:

(a) by any Member or Members present in person, or by proxy and

(i) having not less than one-tenth of the total voting powers in respect of the resolution; or

(ii) having shares on which an aggregate sum of not less than fifty thousand rupees has been paid up on all the shares conferring that right, and unless a poll is so ordered or demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Poll

53. If a poll is duly demanded, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

Power to adjourn general meeting

53. The Chairman of a General Body Meeting may, with the consent of the meeting, adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

In what cases poll taken without adjournment

54. Subject to the provisions of Section 180 of the Act, any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

Business may proceed notwithstanding demand of poll

55. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Chairman's decision conclusive

56. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Votes of members

57. Upon a show of hands every member present in person shall have one vote, and upon a poll every member present in person or by proxy or by duly authorised representative shall have one vote for every share held by him.

No voting by proxy on show of hands

58. No member not personally present shall be entitled to vote on a show of hands.

Votes in respect of shares of deceased and bankrupt members

60. Any person entitled, under the Articles 19 & 25, to any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that seventy-two hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the directors of his right to such shares unless the Directors shall have previously admitted his right to such shares or his right to vote at such meeting in respect thereof.

Joint holders

61. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this clause be deemed joint holders thereof.

Votes in respect of shares of members of unsound mind

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

Proxies permitted

63. On a poll, votes may be given either personally or by proxy or by duly authorised representative.

Instrument appointing proxy to be in writing

64. A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

Instrument appointing proxy to be deposited at office

64A. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in case of a poll not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

When vote by proxy valid though authority revoked

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

Form of proxy

66. An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:

ITI LIMITED

I/We.....of.....in the district ofbeing a member of the above named Company hereby appoint.....of in the district of..... as my / our proxy to vote for me / us on my / our behalf at the (ordinary or extra-ordinary, as the case may be) General Meeting of the Company to be held on theday of.....and at any adjournment thereof, signed this.....day of.....

No member entitled to vote etc. while call due to Company

67. No member shall be entitled to be present, to vote on any question either personally or by proxy, at any General Meeting or upon a poll, or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such members.

Time for objection to vote

68. No objections shall be made as to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether, given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

Resolution in writing of directors in certain cases to be equivalent to resolution of general meeting

69. Any resolution passed by the Directors, notice whereof shall be given to the members in the manner in which notices are hereinafter directed to be given and which shall within one month after it shall have been so passed, be ratified and confirmed in writing by members entitled at a poll to three-fifths of the vote shall be as valid and effectual as a resolution of a General Meeting; but this clause shall not apply to a resolution for winding-up the

Company or to a resolution passed in respect of any matter which by the statute or by these Articles ought to be dealt with by a special resolution.

Number of Directors

70(a) The Company shall have not less than three and not more than fifteen Directorship rectors. The Directors are not required to hold any qualification shares.

So long as the President of India holds not less that 51% of the paid up capital of Company, the President shall subject to Section 255 of the Companies Act, 1956, appoint one-third of the Directors on the Board (including Chairman-cum Managing Director, Whole-time Directors, Official/Non-Official Directors) for such term and on such remuneration as determined by him from time to time. Any Director so appointed shall not be liable to retire at every Annual General Meeting.

(b) 1/3rd of the Directors of the Company other than the Directors appointed by the President under Article 70(a) above shall retire at every Annual General Meeting as per the provisions of the Act.

(c) Right of the Company to increase or decrease the number of Directors: Without prejudice to the Provisions of Article 70(a) and (b) above, the Company may from time to time in the General Meeting increase or reduce the number of Directors, and also to determine in what rotation such increased or reduced member is to go out of office.

Appointment of Directors

71(a) Apart from the Directors appointed by the President under the preceding Article, the remaining Directors shall be appointed by election by the holders of equity shares in General Meeting and the said Directors shall be subject to retirement as per the provisions of the Act. The terms of appointment including remuneration, perks, etc. of such Directors shall be as may be determined by the Board of Directors from time to time and subject to the approval of the Shareholders in the General Meeting.

(b) The Directors appointed by the President under Article 70 (a) shall hold office until removed by him, provided that the Chairman shall be consulted before removing any such Director, in the event of any vacancy in the office of the Director so appointed by resignation, death, expiry of the term of office or otherwise, the President shall have the power to appoint others in their places as above.

(c) Retiring Director shall be eligible for re-election: At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill-up the vacancy by appointing a retiring Director or some other persons thereto.

(d) Filling up vacancy of retiring Directors:

1.If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill up the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

2.If at the adjourned Meeting also, the place of the retiring director is not filled up and that meeting has not expressly resolved not to fill up the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting unless:

(i)At the meeting or at the previous meeting, a resolution for the re-appointment of such director has been put to the meeting and lost.

- (ii) The retiring director has, by notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed.
- (iii) He is not qualified or is disqualified for appointment.
- (iv) A resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of this Act, or
- (v) The proviso to the Sub-Section (2) of Section 263 is applicable to the case.

Right of persons other than retiring directors to stand for directorship

- 72(a) A person who is not a retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of the Director at any general meeting, if he or some member intending to propose him has, not less than 14 days before the meeting, left at the office of the Company a notice in writing signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office, as the case may be.

Consent of candidate for Directorship

- (b) A person who is not a retiring Director shall not be capable of being appointed as director of the Company unless he has by himself or by his agent authorised in writing, signed and filed with the Registrar a consent in writing to act as such Director.

Additional Directors and filling up of casual vacancy

- (c) The Board shall have the power at any time and from time to time to appoint any person to be a Director of the Company either to fill a casual vacancy under Section 262 of the Act or as an addition to the Board under Section 260 of the Act, but so that the total number of Directors shall not at any time exceed the maximum numbers fixed here-in-before mentioned.

General Power of Company vested in Directors

73. Subject to the provisions of Act, the Board of Directors shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other act or by the memorandum or articles of the Company or otherwise, to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other Act, or in the memorandum or articles of the Company or in any

regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

74. Notwithstanding any of the provisions contained in the other Articles, prior approval of the Central Government shall be obtained in respect of:

- (a) Appointment, which term will include initial appointment, extension in service and reemployment of personnel, who have attained the age of 58 years on a pay (including pension and pensionary equivalent of retirement benefits) exceeding Rs.2,500 per mensem;
- (b) Appointment of any foreign national to any post in the Company;
- (c) Implementation of schemes involving capital expenditure exceeding Rs.2,000 lakhs in each case;
- (d) Issue of Debentures;
- (e) Winding up of the Company;
- (f) Sale lease or disposal of any land and/or building having an original book value of Rs.10 lakhs and above;
- (g) The formation of a Subsidiary Company;
- (h) Company's Five Year and Annual Plans for Development and Capital Budgets;
- (i) Revenue Budget of the Company in case there is an element of deficit which is proposed to be met by obtaining funds from Central Government;
- (j) Agreement involving foreign collaboration proposed to be entered into by the Company; and
- (k) Purchases and contracts of a major nature involving substantial capital outlay which are in excess of the powers vested in the Company.

Appointment of Financial Manager/Adviser

75.The Board shall have powers to select the Financial Adviser(s) / Financial Manager (s) of the Company and appoint him/them for such term(s) and at such remuneration as it may think fit and may remove him/them from office and appoint another/others in his/their place or places. While the power for final selection will vest with the Board, assistance of the Government of India (Ministry of Finance) may be obtained in selecting the Financial Adviser(s)/Financial Manager(s).

Specific powers to Directors

76.Without prejudice to the general powers conferred by Articles 73, and the other powers conferred by these Articles, the Directors shall have the following powers, that is to say, power:

- (1)To acquire property: To Purchase, take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorised to acquire at such price, and generally on such terms and conditions as they think fit;
- (2)Works of capital nature: To authorise the undertaking of works of a capital nature;
- (3)To pay for property in debentures etc.,: To pay for any property, rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares, bonds debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bond, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

- (4)To secure contracts by mortgage: To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.
- (5)To appoint officers, etc.: To appoint and at their discretion, remove or suspend such managers, secretaries, officers, clerks, agents and servants, for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and for such amount as they think fit;
- (6)To appoint trustees: To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company, any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees;
- (7)To bring and defend action etc.: To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company;
- (8)To refer to arbitration: To refer any claims or demands by or against the Company to arbitration, and observe and perform the awards;
- (9)To give receipt: To make and give receipts, releases, and other discharges for money payable to the Company, and for the claims and demands of the Company;
- (10)To authorise acceptance etc.: To determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents;
- (11)To appoint attorneys: From time to time to provide for the management of the affairs of the Company outside in such manner as they think fit, and in particular to appoint any person to be the attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;
- (12)To invest moneys: Subject to relevant provisions of the Companies Act, 1956, to invest and deal with any monies of the Company and immediately required for any purposes thereof upon such security (not being share of this Company) or without security and in such manner as they think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (13)To give security: To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
- (14)To give percentage: Subject to the approval of the President, to give to any person employed by the Company a commission on the profits of any particular business transaction, or a share in the general profits of the Company and such commission or share of profits shall be treated as part of the working expenses of the Company;
- (15)To make byelaws: From time to time to make, vary and repeal byelaws for the regulation of the business of the Company, its officers and servants;
- (16)To give bonus: To give, award or allow any bonus, pension, gratuity or compensation of any employee of the Company or his widow, children or dependents, that may appear to the Directors just and proper, whether such employee, his widow, children or dependents have or have not a legal claim upon the Company;

- (17)To create provident fund: Before declaring any dividend and subject to the approval of the President, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit;
- (18)To establish local board: From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India, or out of India, and to appoint any person to be members of such local Board and to fix their remuneration and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the directors other than their power to make call; and to authorise the members for the time being of any such Local Board or any of them to fill up any vacancies, therein and to act notwithstanding vacancies, and any such appointment or delegation may be made in such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation;
- (19)To make contracts etc: To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company; and
- (20)To sub-delegate power: Subject to Section 292 of the Act to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them, subject however, to the ultimate control and authority being retained by them.

Appointment of Managing Director

77. So long as the President of India holds not less than 51% of the total paid up capital of the Company, the President may appoint the Managing Director for the conduct of management of the business of the company subject to the control and supervision of the Board of Directors. Any Managing Director so appointed may be authorised by the Board to exercise such powers and discretions in relation to the affairs of the Company as are specifically delegated to him by the Board and are not required to be done by the Board of Directors or the Company at the General Meeting under the Act. The Managing Director so appointed will be paid such remuneration as may be fixed by the President.

Directors to cause minutes to be made in the books

78. The Directors shall cause minutes to be made in books provided for the purpose:

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of the Directors and of any Committee of the Directors;
- (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of the Committees of Directors; and every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.

Seal

79. The seal shall not be affixed to any instrument except by the authority of resolution of the Board of Directors and in the presence of one Director at least.

Disqualification of Directors

80. The Office of a Director shall be vacated if :

- (a) he is found to be of unsound mind by a Court of competent jurisdiction;
- (b) he applies to be adjudicated an insolvent
- (c) he is adjudged an insolvent.

- (d) he is convicted by a Court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six months.
- (e) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
- (f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
- (g) he fails to disclose the nature of his concern or interest in any contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company as required under Section 299 of the Act.
- (h) he becomes disqualified by an order of Court under Section 203 of the Act;
- (i) He is removed in pursuance of Section 284 of the Act;
- (j) He is concerned or participates in the profits of any contract with the Company; PROVIDED, however, no Director shall vacate his office by reason of his becoming a member of any Company which has entered into contract with or done any work for the Company of which he is Director, but a Director shall not vote in respect of any such contract or work, and if he does so vote his vote shall not be counted.
- (k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

Disqualification referred to in Sub-clauses (c), (d) and (h) above shall not take effect;

- (a) For thirty days from the date of adjudication, sentence or order;
- (b) Where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date of which such appeal or petition is disposed of; or
- (c) Where within the seven days aforesaid; any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of.

Alternate Director

81. The Board of Directors may appoint an alternate director to act for a Director appointed by the Board as an additional director or in a casual vacancy or for a Director appointed in General Meeting (hereinafter in this Article called "The Original Director") during the absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held on leave of the Original Director or when such Original Director is unable to attend any meeting for any reason, provided that in the case of an Original Director who is appointed by President of India under the provisions of Article 70 (a), the Board may appoint an alternate Director recommended for such appointment by President of India. An alternate Director shall be entitled to notice of meetings of the Directors and to attend and to vote thereat accordingly, but he shall not require any qualification and he shall ipso facto vacate office if and when the Original Director returns from leave or is able to be present at the meetings of the Board. If the term of office of the Original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original and not to the Alternate Director. The President of India shall be entitled to appoint Alternate Director to act for Directors appointed by him under these Articles, on the same terms and conditions.

The Meeting of Director and Quorum

82. The Directors may meet together for the despatch of the business, adjourn or otherwise regulate their meetings and proceedings as they think fit. A meeting of the Board, however, shall be held at least once in every calendar months and at least four such meetings in every year as provided under Section 285 of the Act and the quorum necessary for the transaction of business shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher.

Directors may summon meeting

83. How questions to be decided : A Director may at any time convene a meeting of the Directors. Questions arising at any meeting shall be decided by majority of votes. The Chairman shall have a second or casting vote.

Power of quorum

84. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretion by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.

Chairman's appointment & presiding over meetings

85. So long as the President of India holds not less than 51% of the total paid up capital of the Company, the President shall have powers to appoint the Chairman of the Board of Directors of the Company and to determine the period for which he is to hold office. If no such Chairman is appointed or if at any meeting the Chairman is not present within five minutes after the time for holding the same, the Directors present may choose one of their members to be the Chairman of the Meeting.

Powers of Chairman

86. The Chairman shall reserve for the decision of the Central Government any proposals or decisions of the Board of Directors or any matter brought before the Board which raises, in the opinion of the Chairman, an important issue and which is on that account fit to be reserved for the decision of the Central Government and no decision on such an important issue shall be taken in the absence of the Chairman appointed by the President.

In respect of matters reserved by the Chairman for decision of the Central Government, if the Central Government's views are not received within a period of two months, the Directors shall be entitled to act in accordance with the proposal or decision without further reference to the Central Government.

Delegation of Powers to Committees

87. The Directors may, subject to the restrictions laid down in Section 292 of the Act, delegate any of their powers to Committees consisting of such member or members of their body as they think fit and may, from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, confirm to any regulations that may, from time to time, be imposed upon it by the Directors. The proceedings of such a Committee shall be placed before the Board of Directors at its next meeting.

Chairman of Meetings of Committees

88. A Committee may elect a Chairman of their meetings. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their members to be the Chairman of the meeting.

When acts of Directors or committees valid notwithstanding defective appointment etc.

89. All acts done by any meeting of the Directors or of a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Resolution without Board Meeting valid

90. Subject to restrictions placed under Section 292 of the Act, resolutions of the Board of Directors can be passed by circulation and they shall be as valid and effectual as if they have been passed at a meeting of the Directors duly called and constituted. No resolution shall, however, be deemed to have been duly passed by the Board or by a committee thereof by circulation unless the resolution has been circulated in draft, to all the Directors or to all the members of the committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members at their usual address in India, and has been approved by such of the Directors as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

Reserve Fund

91. Subject to such directions as may, from time to time, be issued by the President in this behalf, the Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserve fund, to meet contingencies or for equalising dividends, or for special dividends, or for repairing, improving and maintaining any of the property of the Company, and for amortisation of capital and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company, and may invest the several sums to set aside upon such investments (other than shares of the Company) as they may think fit; from time to time, deal with and vary such investments, and dispose of all or any part thereof for the benefit of the Company, and may divide the reserve funds into such special funds, as they think fit, and employ the reserve funds or any part

thereof in the business of the Company and that without being bound to keep the same separate from the other assets.

Dividends

92.The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the reserve fund and amortisation of capital shall be divisible among the members in proportion to the amount of capital held by them respectively. Provided always that (subject as aforesaid) any capital paid up on share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

Capital paid up in advance

93.Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right to participate in profits.

Declaration of Dividends

94.The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment, but no dividend shall exceed the amount recommended by the Directors.

Dividend out of profits only and not to carry interest

95.No dividend shall be payable otherwise than out of the profits of the year or other period or any other undistributed profits of the Company and no dividend shall carry interest as against the Company.

When to be deemed net profits

96.The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividends

97.The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

Debts may be deducted

98.The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Dividend and call together

99.Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividends payable to him, and the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the members, be set off against the call. The making of a call under this clause shall be deemed ordinary business of an ordinary General Meeting which declares a dividend.

Dividends or Bonus payable wholly or partly in specific assets

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100.Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debenture or debenture-stock of the Company

or paid-up shares, debenture or debenture-stock of any other Company, or in any one or more of such ways; any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or in the hands of the Company, and available for dividend or representing premia received on the issue of shares, and standing to the credit of the share premium account be capitalised, and distributed amongst the shareholders in accordance with their rights on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied on behalf of the shareholders in paying up in full any unissued shares of the Company and that such unissued shares so fully paid be distributed accordingly amongst the shareholders in the proportion in which they are entitled to receive dividends, and shall be accepted by them in full satisfaction of their interest in the said capitalised sum. For the purpose of giving effect to any resolution under this Article, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed or that fractions of less than Re.1 may be disregarded in order to adjust the rights of all parties, and may vest any such cases of specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act; and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

Effect of Transfer

101.A transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.

Retention in certain cases

102.The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause (Article 25) entitled to become a member, or which any person under that clause is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

Dividend to joint holders

103.Any one of the several persons who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

Payment by post

104.Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled or in the case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

Notice of dividend

105.Notice of the declaration of any dividend whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.

Unclaimed Dividend

106.The unclaimed dividends will not be forfeited and in case of such unclaimed dividends the procedure as prescribed under the provisions of Section 205 A of the Companies Act, will be followed.

Accounts to be kept

107. The Company shall cause to be kept proper books of accounts with respect to:

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
- (b) All sales and purchases of goods by the Company;
- (c) The assets and liabilities of the Company.

Inspection of account books

108. The books of account shall be kept at the Registered Office of the Company or at such other places as the Directors shall think fit and shall be open to inspection by the Directors during the business hours.

Inspection by member

109. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members (not being Directors) and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

Annual Accounts and Balance Sheet

110. The Directors shall at some date not later than 18 months after the incorporation of the Company and subsequently once at least in every calendar year lay before the Company in General Meeting a Balance Sheet and Profit and Loss account in the case of the first account since the incorporation of the Company and in any other case since the preceding account made up to a date not earlier than the date of the meeting by more than six months.

Annual Report of Directors

111. The Directors shall, in accordance with Section 217 of the Act, make out and attach to every balance sheet a report with respect to the state of the Company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account to be shown specifically on the balance sheet or to a Reserve Fund General Reserve or Reserve Account to be shown specifically in a subsequent balance sheet. The report shall mention directives, if any issued by the President under the provisions of any of the Article of the Articles of Association of the Company. The report shall be signed by the Chairman of the Board of Directors if authorised, in that behalf by the Directors, and where he is not so authorised shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account by virtue of subsection 1 and 2 of Section 215 of the Act.

Contents of profit and loss account

112. Forms of balance sheets and profit & loss account should be in accordance with the provisions of Section 211 of the Act. The profit and loss account shall in addition to the matters referred to in Section 211 of the Act, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of

the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just balance of profit and loss may be laid before the meeting, and in case where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

Balance Sheet and Profit and Loss Account to be sent to Members

113. The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the Auditor's Report to the registered address of every member of the Company in the manner in which notices are to be given here under, and to every holder of debentures issued by the Company and to every trustees for the holders of any debentures issued by the Company atleast twenty-one days before the meeting at which it is to be laid before the members of the Company.

Directors to comply with sections 209 to 222 of the Act

114. The Directors shall in all respects comply with the provisions of Sections 209 to 222 of the Act, or any statutory modification thereof for the time being in force as may be applicable to the Company.

Accounts to be audited annually

115. Once atleast in every year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors as provided in the Act.

Appointment of Auditors

116. The auditor or auditors of the Company shall be appointed or reappointed by the Central Government on the advice of the Comptroller and Auditor-General of India and his/their rights and duties shall be regulated by Sections 224 to 233 of the Act.

Auditor's right to attend meetings

117. The auditors of the Company shall be entitled to receive a notice of and attend any General Meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the company and may make any statement or explanation they desire with respect to the accounts.

Powers of the Comptroller and Auditor-General

118. The Comptroller and Auditor-General of India shall have power:

- a) to direct the manner in which the Company's accounts shall be audited by the auditor/auditors appointed in pursuance of Article 116 hereof and to give such auditor/auditors instructions in regard to any matter relating to the performance of his/their functions as such:
- b) to conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorise in this behalf; and for the purposes of such audit, to have access at all reasonable times, to all accounts, accounts books, vouchers, documents and other papers of the Company and to require information or additional information to be furnished to any person or persons so authorised, on such matters, by such person or persons and in such form, as the Comptroller and Auditor-General may, by general or special order, direct.

Comments upon or supplement to audit report by the Comptroller and Auditor-General to be placed before ordinary meetings

119. The auditor/auditors aforesaid shall submit a copy of his/their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments upon or supplement to the audit report shall be placed before the Ordinary Meeting of the Company at the same time and in the same manner as the audit report.

When accounts to be deemed finally settled

120. Every account of the Company, when audited and approved by a General Meeting shall be conclusive.

Rights of the President

121. So long as the President of India holds not less than 51% of the paid-up capital of the Company, and notwithstanding anything contained in any of these Articles, the President may as and when he thinks fit, from time to time, issue such directives as he may consider necessary, to the Company or Director's thereof, in regard to conduct of business or affairs of the Company or in regard to the exercise or performance of the Company's functions in matters involving national security or of substantial public interest and in like manner vary and annul any such directive. The Directors shall give immediate effect to directives so issued.

The President may also call for such returns, accounts and other information with respect to the property and activities of the Company as may be required from time to time. The President may also at any time by issuing a notice to the company convene a General Meeting of the Company.

Provided that all directives by the President shall be in writing addressed to the Chairman. The Board shall except where the President considers that the interest of the National Security requires otherwise incorporate the contents of the directives issued by the President in the Annual Report of the Company and also indicate its impact on the financial position of the Company.

How Notice to be served on Members

122. A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address), to the address, if any, supplied by him to the Company for giving of notice to him.

Notification of address by a holder of registered shares having no registered place of address

123. A holder of registered shares, who has no registered place of address may from time to time, notify in writing to the Company an address, which shall be deemed his registered place of address, within the meaning of the last preceding Article.

When Notice may be given by advertisement

124. If a member has no registered address and has not supplied to the Company an address for the giving of notices to him, a notice addressed to him and advertised in newspaper circulating the neighbourhood of the Registered Office of the Company, shall be deemed to be duly given to him on the day on which the advertisement appears.

Notice to the Joint Holders

125. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.

How Notice to be given to representatives of a deceased or bankrupt member

126. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representative of the deceased, or assignee of the insolvent or by any like description at the address (if any) supplied for the purpose by the persons

claiming to be so entitled or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given, if the death or insolvency had not occurred.

To whom notice of general meeting to be given

127. Notice of every general meeting shall be given in same manner hereinbefore authorised to (a) every member of the Company except those members who having no registered address have not supplied to the Company an address for the giving of notice to them; (b) every person entitled to a share in consequence of the death or insolvency of a member who, but for his death or insolvency, would be entitled to receive notice of the meeting, and also to (c) the Auditor or Auditors for the time being of the Company.

Transferees etc. bound by prior notice

128. Every person who by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address and title to the share being notified to and registered by the Company, shall be duly given to the person from whom he derives his title to such share.

How notice to be signed

129. The signature to any notice to be given by the Company may be written or printed.

How time to be counted

130. Where a given number of days' notice or notices extending over any other period is required to be given the day of service shall, unless it is otherwise provided, be counted in such number of days or other period.

Distribution of assets on winding up

131. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Secrecy Clause

132. No member shall be entitled to require discovery of or any information respecting any details of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate to the public.

Indemnity

133. Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditor, Secretary and other Officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses which any such officer or servant, may incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant or in any way in the discharge of his duties; and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company; and have priority as between the members over all other claims.

Individual responsibility of Directors

134. No Director, or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer of the Company or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by the order of Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss, damaged or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own negligence, default misfeasance, breach of duty, or breach of trust.

Commission Brokerage for placing Shares

135. The Company may at any time pay commission/brokerage to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, convertible debentures or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures, convertible debentures or debenture stock of the Company not exceeding the rates of commission and brokerage/amounts prescribed by the Central Government from time to time on shares, debentures, convertible debentures or debenture stock in each case subscribed or to be subscribed and in case commission/brokerage is paid or payable out of capital, the statutory conditions and requirements shall be observed and complied with. The commission/brokerage may be paid or satisfied in cash or in shares, debentures, convertible debentures or debenture stock of the Company.

136. DEMATERIALISATION OF SECURITIES

Pursuant to the provisions of the Depositories Act, 1996 and rules framed thereunder :

(a) The Company shall be entitled to dematerialise its securities (Shares, Debentures, etc.) and to offer securities in a dematerialised form;

(b) The registered holders of the securities of the Company shall be entitled to convert such securities in a dematerialised form and to hold the same with a depository and vice-versa; and

(c) Any one holding shares of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company and be entitled to all rights and benefits and subject to all the liabilities in respect of his/their shares held by a depository.

137. NOMINATION FACILITY

(i) Every holder(s) of shares in, or holder(s) of debentures of, the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.

(ii) A depositor may, in terms of Section 58A at any time, make a nomination and the above provisions shall, as far as may be, apply to the nomination made under this sub-section.

<i>Name</i>	<i>Address</i>	<i>No. of Shares</i>	<i>Signature of witness</i>
PRESIDENT OF INDIA by V.K.R.Menon, ICS.,	Secretariat, New Delhi	10000	K.V. Venkatachalam

<i>Name</i>	<i>Address</i>	<i>No. of Shares</i>	<i>Signature of witness</i>
Secretary, Ministry of Communications			
A.F.BENNET, M.I.E.E., Jt.General Manager, For and on behalf of the Automatic Telephone & Electric Co. Ltd.	Strowger House, 8, Arundel Street, London W.C.2, England.	6667	Chas E. Hay
V.K.R.Menon	Secretary, Ministry of Communications, Secretariat (North Block), New Delhi.	100	K.V.Venkatachalam
R.Narayanaswami	Joint Secretary, Government of India, Ministry of Finance ©, New Delhi.	100	N.C.Bose

Dated, this Twenty Fifth Day of January, 1950.

ITI TODAY

ITI Limited is India's pioneering venture in the field of telecommunications. With the state-of-the-art manufacturing facilities spread across six locations and Countrywide network of marketing/service outlets, the Company offers a complete range of telecom products and total solutions covering the whole spectrum of Switching, Transmission, Access and Subscriber Premises equipment.

In tune with the technology trend, ITI has embarked on manufacture of mobile infrastructure equipment based on GSM (Global System for Mobile) technology. ITI is also in the process of acquiring the technology for manufacture of broadband infrastructure equipments, NGN (New Generation Network) equipments based on IP technology etc.,. ITI has a dedicated Network Systems Unit for carrying out installation and commissioning of equipment as well as for undertaking turnkey jobs and providing value-added services. The successful completion of the mammoth strategic communication network ASCON for the Indian Army underlines ITI's ability in standing up to the challenge of enhancing the reach of communication and information seamlessly over diverse media. In a fitting testimony, the Company continues to hold the numero uno position as India's top telecom turnkey solutions provider.

ITI joined the league of world-class vendors of GSM technology with the commencement of mobile equipment manufacturing at its Mankapur and Rae Bareli Plants, which opened a new era of indigenous mobile equipment production in the Country. These two lines will augment the capacity to more than nine million lines for catering to both domestic as well as export markets.

By deploying its rich telecom expertise and vast infrastructure, the Company is consolidating its diversification into ICT (Information and Communication Technologies) space to hone its competitive edge in the convergence market. Network Management Systems, Encryption and Networking Solutions for Internet Connectivity are some of the major initiatives by the Company. ITI's competency in the WAN (Wide Area Networking) segment is reflected through two major projects commissioned successfully for BSNL - Countrywide MLLN (Managed Leased Line Network) and the Nation's first Broadband network IP-MPLS (Internet Protocol-Multi Protocol Label Switching) technology based VPN (Virtual Private

Network) in ten major cities. The Company had struck a strategic alliance with BSNL for building a V-SAT based network in Ku band for IP-based satellite broadband services. The CDMA-WLL (Wireless in Local Loop) turnkey project that ITI has completed for TCIL (Telecommunications Consultants India Limited) in Afghanistan is a boost to the Company's export business.

ITI is one of the three Public Sector Undertakings short listed by RGI (Registrar General of India) for providing Multi Purpose National ID cards. The job involves collection of citizen data including biometrics followed by issue of ID cards.

Secure communications is the Company's forte with a proven record of engineering strategic communication networks for India's Defence forces. Extensive in-house R&D work is devoted towards specialized areas of Encryption, NMS, IT and Access products to provide complete customized solutions to various customers.

STRENGTHS OF ITI – THE TELECOM PIONEER

- India's first telecom equipment manufacturer
- Total telecom solutions provider. Recognised as Top Turnkey Service provider.
- Multi-locational state-of-the-art electronic assembly & component manufacturing facilities accredited with ISO 9001:2000
- Multi-locational ISO 14001:2004 Environmental Management System certified plants
- First Indian company to manufacture BTS & other infrastructure products for GSM and other new generation products
- Complete range of Telecom products, value added services and customised Integrated Logistic Support to a variety of users
- Countrywide marketing and customer care centers
- Strategic alliances with global Telecom / IT majors
- Countrywide dedicated network system centers to provide comprehensive network solutions
- In-house R&D for absorption of technology, indigenous development of products for in-house manufacturing
- Design and manufacture of Defence encryption products

DIVERSIFIED BUSINESS PORTFOLIO

AREAS

- Manufacture of Telecom Equipment
- Total Turnkey Telecom/IT Network Solutions
- Contract Manufacturing

PRODUCTS

- Cellular Mobile Infrastructure–GSM, WLL-CDMA
- Next Generation Network (NGN)- Class 4 & Class 5
- Switching–OCB-283, ISDN EPABX, IP-TAX, SSTP
- Transmission– Satellite, Optical, Microwave
- Broadband Equipment–ADSL, WiMAX, G-PON, GE-PON, Carrier Ethernet
- Customer Premises Equipment–IFWT, ADSL Modem, CLI Phones
- Broadband for rural connectivity
- Smart/SIM Cards, Banking Automation Equipments ,Non-Conventional Energy Systems, TWT-HPA, AMF Panel for DG Sets
- Multipurpose National ID cards
- Solar panels
- LED lighting, Serigas project
- SMPS Power Plant - Indoor & Outdoor

SERVICES

- Systems Integration – Telecom, IT
- Shared Hub V-SAT Services
- Customer Care Service
- Installation & Commissioning of Telecom Eqpt like GSM, CDMA, MLLN, Microwave, Optical Fibre, etc.
- Pre-warranty & Post-warranty maintenance services for all Products/Projects
- Enterprise business like Data Centers etc.
- IT and Convergence
- Encryption–Bulk Encryption Units, Voice/Data/Fax Encryptor
- Application Specific Software in various domains
- Network Management System

MANUFACTURING BASE / NEW TECHNOLOGIES ACQUIRED

BANGALORE CSN-MM, C-DOT SWITCHES, ISDN PABX
WLL- CDMA
IFWT
ANTENNA FOR GSM / CDMA,
TRANSMISSION: IDR, SATCOM, MICROWAVE
DEFENCE EQUIPMENT
ADSL-CPEs, GEAPON
DATA CENTER

MANKAPUR C-DOT SWITCHES
GSM INFRA (BTS)
BANK MECHANISING PRODUCTS

RAE BARELI GSM INFRA (BTS), SHELTER, TOWER, SMPS
CONTROL PANELS
GPON

NAINI
STM1, STM4, STM 16, STM 64
2/34 OPTIMUX, DDF
DWDM 2.5 G (32 CH)
DWDM 10 G (40 CH)
CARRIER ETHERNET

PALAKKAD OCB 283 CORE / LOCAL / TAX / TANDEM
IP TAX / SSTPs, MLLN
SMART/SIM CARDS
MULTI PURPOSE NATIONAL ID CARDS

SRINAGAR TELEPHONE INSTRUMENTS

STATE-OF-THE-ART GSM EQPT MFG INFRASTRUCTURE

BTS

- SMT Lines with 50-60K cph capacity, Pick & Place facility, screen printer, reflow oven and CAD software
- Wave Soldering Machines
- Press Fit Connector Fixing Machine
- Testing Equipment--complete range of Testers with dedicated Test Benches for Cards/Modules/System Testing, In-circuit Testers
- Types of BTS : 1. Indoor BTS
2. Outdoor BTS
3. Dual Band BTS
4. Twin TRX BTS
- BTS capacity at Mankapur : 600 Nos/Month
- BTS capacity at Rae Bareli : 600 Nos/Month
Capability to supply 3G BTSs & Twin TRXs

TOWERS AND SHELTERS

- Manufacturing Facilities for Mechanical Items
- Fabrication of Towers and Shelters for GSM

SMPS

- Fabrication of 100 A – 150A Power Plants with 25A base Module for GSM
- Fabrication of 200A-3000A Power Plants with 100A base Modules for telecom installation

LEADERSHIP IN TURNKEY PROJECTS

RESOURCES

- Dedicated Network Systems Unit
(Bangalore, New Delhi, Kolkata, Bhopal, Ambala)
- State-of-the-art Manufacturing Plants
(Bangalore, Mankapur, Rae Bareli, Naini, Palakkad, Srinagar)
- R&D Centre

EXPERTISE

- Feasibility Studies, System Engineering
- Survey/Civil Engineering Works
- Project Planning, Management
- Design & Development
- Manufacturing
- Installation & Commissioning
- Network Implementation
- NMS and Application Software
- Network & System Integration – Telecom, IT
- Acceptance Testing
- Training & Documentation
- Strategic Alliances
- Integrated Logistic Support/AMC

IN-HOUSE R&D CORE STRENGTHS

- NMS – Elemental as well as Umbrella
- Optical – STM Interfaces, O/E & E/O Converters, 2/34 Mbps Optimux
- Encryption Equipment for Voice / Data for Bit Rates of 16 kbps, 64 kbps, E1, E3, STM-1, STM-4 & STM-16 for various media – wired / wireless, Voice/Data/Fax Encryptor, IP Encryptor
- Satellite –
IDR (Intermediate Data Range) Systems, Ku Band Satellite Systems
- Wireless –
WISS SVBF (Wireless Siren System with Simultaneous Voice Broadcast),
Microwave Eqpt., 8 GHz E1/STM-1 Radio
- Digital Access Products –
30 Chl PCM, MIL PCM MUX, Programmable MUX, Protocol Converters
- Consumer Premises Equipment – Telephones for Defence
- System Engineering – Network Planning and Design
- Ruggedisation

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