



ITI LIMITED

**64th ANNUAL REPORT
2013-14**

ANNUAL REPORT 2013-2014

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BOARD OF DIRECTORS

Shri K.L. Dhingra

Chairman and Managing Director

Shri R.K. Agarwal

Director-Marketing

(upto 30.11.2013)

Shri K. K. Gupta

Director-Production

Shri P. K. Gupta

Director-Marketing

(from 27.03.2014)

Shri S. Gopu

Director-Human Resources

(from 16.04.2014)

Shri N.K. Joshi

Deputy Director General (SU)

Department of Telecom

(upto 25.7.2014)

Shri R.K. Mishra

Deputy Director General (SU)

Department of Telecom

(from 25.7.2014)

Lt. Gen. S.P. Kochhar

AVSM and Bar SM, VSM, ADC

Signal Officer-in-Chief &

Senior Commandant, Army HQ.

(upto 31.08.2013)

Lt.Gen. Nitin Kohli, VSM

Signal Officer-in-Chief

(from 29.10.2013)

Shri Dharendra Singh, IAS (Retd)

Independent Director

Dr. M.J. Zarabi

Independent Director

Prof. Ramesh Bhat

Independent Director

COMPANY SECRETARY**K.T. Mayuranathan**

(upto 30.09.2013)

Ms. Sunitha K.S.

(from 01.10.2013)

LEGAL ADVISERS**M/s. Holla & Holla, Advocates**

Bangalore & others

AUDITORS**M/s. Sundar Srini & Sridhar, Bangalore****M/s. Nagendra Gupta & Co., Naini, Allahabad****M/s. Habibullah & Co., Mankapur****M/s. Mahadevan & Sivarajan, Palakkad****M/s. Rajesh Srivastava & Associates, Rae Bareilly****M/s. S D M & Co., Srinagar****COST AUDITORS****M/s. GNV & Associates, Bangalore****M/s. Aman Malviya & Associates, Lucknow****BANKERS**

State Bank of India

State Bank of Patiala

State Bank of Bikaner & Jaipur

State Bank of Mysore

State Bank of Hyderabad

State Bank of Travancore

Bank of Baroda

Central Bank of India

Punjab National Bank

Development Credit Bank Limited

Indus Ind Bank Limited

Axis Bank Limited

Vijaya Bank

Indian Bank

Canara Bank

MANAGEMENT:**CORPORATE OFFICE****Shri. K. L. Dhingra**

Chairman and Managing Director

Shri R. K. AgarwalDirector-Marketing
(upto 30.11.2013)**Shri K.K. Gupta**

Director-Production

Shri P.K. GuptaDirector-Marketing
(from 27.03.2014)**Shri S. Gopu**Director-Human Resources
(from 16.04.2014)**Shri R. Venkataraman, IRS**

Chief Vigilance Officer

Shri Kanthimathinathan

Finance Manager-IA

K.T. MayuranathanCompany Secretary
(upto 30.09.2013)**Ms. Sunitha K.S**Company Secretary
(from 01.10.2013)**PLANTS / UNITS**

Bangalore Plant

Shri S.S. Chakrabarthi

Addl. General Manager

Srinagar (J & K) Plant

Shri I.A. Khan

Manager

Rae Bareli

Shri K. Alagesan

Addl. General Manager

Naini Plant

Shri Pratap Singh

Addl. General Manager

Palakkad Plant

Shri V.K. Agarwal

Addl. General Manager

Mankapur Plant

Shri Pradeep Pandey

Addl. General Manager

NOTICE

NOTICE is hereby given that the SIXTY FOURTH Annual General Meeting of ITI Limited will be held on 26th September, 2014 at 11.30 a.m. at Bangalore Tamil Sangam, No.59, Annaswamy Mudaliar Road, Bangalore-560 042 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the Balance Sheet as at 31st March 2014, the Profit & Loss Account for the year ended on that date and the Auditors' Report thereon.
2. To appoint a Director in place of Shri K.L. Dhingra (holding DIN:00388194), who retires by rotation and being eligible offers himself for re-appointment as per the terms and conditions stipulated by the Government of India.
3. To appoint a Director in place of Shri K.K. Gupta (holding DIN:03092622), who retires by rotation and being eligible offers himself for re-appointment as per the terms and conditions stipulated by the Government of India.
4. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

'RESOLVED to authorize the Board of Directors of ITI Limited to fix the remuneration, reimburse travelling allowance and out of pocket expenses of the Statutory and Branch Auditors of the Company to be appointed by the Comptroller and Auditor General of India for the financial year 2014-2015.'

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

'RESOLVED that pursuant to the provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Shri Dharendra Singh

(holding DIN:00852815) Independent Director of the Company, who retires by rotation at the Annual General Meeting, be and is hereby appointed as Independent Director of the Company with effect from 26th September 2014 to 2nd October 2015 or until further orders whichever is earlier as per the terms and conditions stipulated by the Government of India.'

6. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

'RESOLVED that pursuant to the provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Dr M.J. Zarabi (holding DIN:00648928) Independent Director of the Company, who retires by rotation at the Annual General Meeting, be and is hereby appointed as Independent Director of the Company with effect from 26th September 2014 to 2nd October 2015 or until further orders whichever is earlier as per the terms and conditions stipulated by the Government of India.'

7. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

'RESOLVED that pursuant to the provisions of section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Prof Ramesh Bhat (holding DIN:01958539) Independent Director of the Company, who retires by rotation at the Annual General Meeting, be and is hereby appointed as Independent Director of the Company, with effect from 26th September 2014 to 2nd January 2016 or until further orders whichever is earlier as per the terms and conditions stipulated by the Government of India.'

8. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

'RESOLVED that Lt Gen Nitin Kohli (holding DIN:06785394) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29th October 2013 in terms of Section 260 of the Companies Act, 1956 [corresponding to section 161(1) of the Companies Act, 2013] and Article 70(a) of the Articles of Association of the Company to hold Office upto the date of Annual General Meeting, be and is hereby appointed as Director of the Company not liable to retire by rotation, on the terms and conditions stipulated by the Government.'

9. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

'RESOLVED that Shri P.K. Gupta (holding DIN: 06896959) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27th March 2014 in terms of Section 260 of the Companies Act, 1956 [corresponding to section 161(1) of the Companies Act, 2013] and Article 70(a) of the Articles of Association of the Company to hold Office upto the date of Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation, on the terms and conditions as stipulated by the Government of India.'

10. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

'RESOLVED that Shri S. Gopu (holding DIN: 06896926) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 16th April 2014 in terms of Section 260 of the Companies Act, 1956 [corresponding to section 161(1) of the Companies Act, 2013] and Article 70(a) of the Articles of Association of the Company to hold Office upto the date of Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation, on the terms and conditions as stipulated by the Government of India.'

11. To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

'RESOLVED that pursuant to section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of M/s GNV & Associates, Cost Accountants and M/s Aman Malviya & Associates, Cost Accountants, Cost Auditors of the Company or the financial year 31st March 2015 as approved by the Board of Directors at their meeting held on 30th May 2014 on the terms and conditions set out in the Explanatory Statement annexed to the Notice, be and is hereby ratified and confirmed.'

Regd. & Corporate Office By Order of the Board
ITI Bhavan, Doorvaninagar For **ITI LIMITED**
Bangalore-560 016
CIN: L32202KA1950GoI000640
Website: www.italtd-india.com
Email:co.secy_crp@italtd.co.in

Place: Bangalore **(SUNITHA K.S.)**
Date: 4th September 2014 COMPANY SECRETARY

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE ON BEHALF OF SELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
2. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
3. The Register of Members and the Share Transfer Books will remain closed from 18.09.2014 to 26.09.2014 (both days inclusive).
4. Members are requested to advise the Share Transfer Agents, M/s. Integrated Enterprise (India) Ltd. (formerly Alpha Systems Pvt. Ltd.), 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore-560 003 and their respective Depository Participants immediately of any change in their address.
5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. In accordance with the relevant provisions of the Companies Act, 2013, Shri K.L. Dhingra, Chairman & Managing Director; Shri K.K. Gupta, Director-Production; Shri Dharendra Singh, Director; Dr. M. J. Zarabi, Director; and Shri Ramesh Bhat, Director of ITI will retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

Accordingly, the Shareholders are requested to approve the Resolution(s) at Item No.2, 3, 5, 6, and 7.
7. In terms of the provisions of Section 149 of the Companies Act, 2013 (corresponding to Section 224 and Section 619 of the Companies Act, 1956) the remuneration of Auditors appointed by Comptroller and Auditor General of India has to be fixed by the Company in General Meeting or in such other manner as the Company may determine.

Accordingly, the Shareholders are requested to approve the Resolution at Item No. 4 of the Notice.

8. Members requiring information on the Accounts are requested to write to the Company at least fifteen days before the date of the Meeting so that the required information could be kept ready.

9. The relevant Statement pursuant to Section 101(1) of the Companies Act, 2013 is annexed as **Annexure- A** to the Notice. Documents relating to any of the items mentioned in the Notice and Statement thereto are open for inspection at the Registered Office of the Company on any working day during business hours.

10. Pursuant to Clause 49 of the Listing Agreement, the brief resume/profile of the Directors eligible for re-appointment are attached herewith.

11. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. The instructions for e-voting are given in **Annexure –B** to the Notice.

12. The Ministry of Corporate Affairs vide Circular No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has taken a “Green Initiative” in Corporate Governance

and allowed companies to send documents to shareholders through electronic mode. Therefore, members are requested to support this initiative by registering/updating their email addresses by sending a written request duly signed by the shareholder to the Share Transfer Agent at the earliest.

13. Members/their Proxies/Representatives are requested to:-

- i. to bring the Attendance Slip duly filled in and the Annual Report for attending the Meeting.
- ii. quote their Folio/DP and Client ID Numbers in all correspondence.
- iii. note that no briefcase or bag will be allowed to be taken inside the auditorium for security reasons.
- iv. note that no gifts will be distributed at the venue of the AGM.

Regd. & Corporate Office
ITI Bhavan, Doorvaninagar
Bangalore-560 016
CIN: L32202KA1950GoI000640
Website: www.italtd-india.com
Email: co.secy_crp@italtd.co.in

By Order of the Board
For **ITI LIMITED**

Place: Bangalore (SUNITHA K.S.)
Date: 4th September 2014 COMPANY SECRETARY

ANNEXURE-A TO THE NOTICE

Statement pursuant to section 102 of Companies Act, 2013

Item No.2:

Brief profile of Shri K. L. Dhingra, pursuant to clause 49 of the listing agreement:-

Shri K L Dhingra took over as Chairman & Managing Director of ITI Limited on 7th April, 2010. He has more than 13 years experience as Board Level Executive and more than 6 ½ years as Chairman cum Managing Director. Prior to his present position as Chairman and Managing Director of ITI Ltd, Bangalore and as Chairman and Managing Director of HUDCO, New Delhi; he has worked as Director (Finance) in Mumbai Railway Vikas Corporation Limited (MRVC), a PSU under the Ministry of Railways and also as Director (Finance) in Indian Rare Earth Limited (IREL), a PSU under the Department of Atomic Energy, for a period totalling about seven years.

Shri K.L. Dhingra is a Master in Commerce (M.Com), Bachelor in Law (LL.B), Master in Business Administration (MBA) from Faculty of Management Studies (FMS), Delhi University. He has acquired additional Banking qualifications from India (CAIIB) and UK (ACIB, London).

Shri K.L. Dhingra is also the Vice Chairman of Standing Conference of Public Enterprises (SCOPE), an Apex body of PSUs for the last more than five years.

Item No. 3:

Brief profile of Shri K. K. Gupta pursuant to clause 49 of the listing agreement:-

Shri K. K. Gupta took over as Director (Production) of ITI Limited on 1st May 2010. Prior to this, he was General Manager, Corporate HR and GSM (South Zone). An Electronics and Telecommunication Engineer, Shri K. K. Gupta joined ITI in 1977 as an Assistant Executive Engineer at the Company's Naini Plant. Shri K K Gupta's 34 years of experience covers the diverse fields of manufacturing telephones and transmission, GSM project and human resources.

Item No. 5 to 7 – Appointment of Independent Directors

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

Shri Dharendra Singh, Dr.M.J. Zarabi, Prof. Ramesh Bhat, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Brief profile of the Independent Directors pursuant to clause 49 of the listing agreement:

Shri Dharendra Singh, Independent Director

Shri Dharendra Singh, 69 years, is an Independent Director on our Board. He holds a Bachelor of Science degree and a Master's degree in political science from the University of Allahabad and a Master's Diploma in Public Administration from the Indian Institute of Public Administration, New Delhi. A former member of the Indian Administrative Service, he has over forty years of administrative and public sector experience and has served in various capacities with the State Government of Karnataka and the Government of India. He was the Chairman and Managing Director of Vikrant Tyres Ltd and Mysore Electrical Industries; he has served as Secretary in many Union Government Departments.