

The Companies Act, 1956

**ARTICLES OF ASSOCIATION
OF
NATIONAL INTERNET EXCHANGE OF INDIA**
**(A Company limited by Guarantee, not for profit, Under Section 25 of the
Companies Act, 1956, not having a Share Capital)**

CONSTITUTION OF THE COMPANY

Regulations contained in Table C in Schedule I of the Companies Act, 1956, shall apply to the Company except in so far as they are embodied in the following articles which shall be the regulations for the management of the Company.

INTERPRETATION

1. (a) In these Articles:
 - (1) "The Act" means the Companies Act, 1956 as amended from time to time.
 - (2) "The Seal" means the common seal of the Company.
 - (3) "NIXI" means National Internet Exchange of India.

- (b) Unless the context otherwise requires, words or expression contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date on which these regulations become binding on the Company.

MEMBERS

2. (a) The Company is a Public Company within the meaning of Section 3(1) (iv) of the Companies Act, 1956.

- (b) The number of members of the Company is limited to 500 (five hundred), but the Board of directors may, from time to time, whenever the company or the business of the company requires it, increase the number of members.
- (c) There shall be three categories of members:

Ordinary Members : shall be those Internet Service Providers who possess a valid Internet Service Provider license issued by the Ministry of Communication & Information Technology, Government of India and have signed a connectivity agreement with the company (to be known as NIXI Connection Agreement),

Associate Members: Individuals and/or organizations can become Associate Members subject to the approval of Board of Director and payment of requisite fee.

Honorary Members: The Board of Directors may invite learned, distinguished individuals and/or organizations to become Honorary Members. Such Membership can be terminated at the sole discretion of the Board of the Director at any time.

- (d) The subscribers of the Memorandum shall be the first members of the Company and shall be entered as members in the Register of Members. Every other person who agrees in writing to become a member of the Company and whose name is registered in the Register of Members shall be a member of the Company.
- (e) Every applicant shall apply for the membership of the company, in the prescribed application form specifying the category under which membership is sought, giving all particulars as specified therein. After approval by the Board of directors, applicant shall become member of the company.
- (f) The Board of the company can levy and fix from time to time a membership subscription to be charged from members at the time of their admission and /or annually.

- (g) A member shall cease to be member of the company if:
- (i) The Internet Service Provider's license of the member is terminated for whatever reason,
 - (ii) The member is adjudged as insolvent,
 - (iii) A member goes into liquidation or winding up proceeding are initiated against it,
 - (iv) A member fails to pay subscription within three months of the same becoming due to the company,
 - (v) If such member is expelled from the company by the board for being found guilty of misconduct/ violation of the rules of the company or is guilty of an act which is detrimental to the interest of the company or for furnishing wrong particulars for obtaining admission to the membership of the company, after affording the member a reasonable opportunity of being heard,
 - (vi) On his death,
 - (vii) On his becoming of unsound mind,
 - (viii) On his tendering the resignation.

A member ceasing to be a member of the company by any of the above modes shall forego all his rights or claims upon the company, but shall nevertheless remain liable for and shall pay all the monies, which at the time of ceasing to be a member were due from him to the company.

GENERAL MEETINGS

3. All general meetings, other than Annual General Meeting, shall be called ~~%~~Extraordinary General Meetings+. Any general meeting can be called by the Board of directors by giving not less than 14 clear days notice in writing sent by Registered Post, Acknowledgement due or through special messenger or by fax or by E-mail or by any other mode of written communication as decided by the Board of Directors. A copy of the minutes of the general meeting shall be sent to all the members.
3. a) A General Meeting may be called after giving shorter notice if consent is accorded thereto by the members in accordance with the provisions of section 171(2) of the Companies Act, 1956
- 4 (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

(b) If at any time, the Directors of the company are not within India, Directors capable of acting, who are sufficient in number to form a quorum, any director or any two members of the Company may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

5. (a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to transact business.

(b) Save as otherwise provided herein, 5 members strength, present in person shall be the quorum for all purposes at any general meeting.

6. (a) If within half-an-hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved.

(b) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine.
7. The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company.
8. If there is no such Chairman, or if the Chairman is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman for the meeting, the Directors present shall elect one of their members to be Chairman of the meeting.
9. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of the members to be the Chairman of the meeting.
10. (a) The Chairman may, with the consent of those present at any meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting, from time to time and from place to place.

(b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

11. In case of an equality of votes, whether by show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote. The Chairman in the best interest of the Company shall exercise such second/ casting vote.
12. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

VOTES OF MEMBERS

13. Every ordinary member shall have one vote. A member is entitled to appoint a proxy to vote on his behalf and such a proxy need not be a member of the company. The associate and honorary members do not have any right to vote.
14. No member shall be entitled to vote at any general meeting unless all sums presently payable by him to the company have been paid.
15. (a) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

- (b) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
16. 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, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

17. a. The number of Directors may be determined from time to time but shall not in any case be less than three and not more than twenty-one.
- b. The constitution of Board of Directors (~~the Board~~) shall have the following structure unless it is amended by the Board with the approval of members in the general meeting:
- **Nominee Directors** . The Board shall have three representatives from Ministry of Communication and Information Technology and one each from IIT and Internet Service Provides Association of India.
 - **Co-opted Directors** . The Board at its discretion may co-opt Three Directors from the members company or such other persons who in its view shall be helpful for the efficient and transparent working of the company.
 - **Elected Directors** . The ordinary members of the company will elect Nine Directors among themselves.
 - An Elected Director, representing a company (ISP Member), shall retire from the post of the Director of the company:

- a) On the date of his ceasing to be an officials of the representing company, or
- b) On the date of submitting the resignation from the post of the Director of the company, or
- c) As per section 283 of the Companies Act, 1956
- In the above situation, the casual vacancy so created may be filled by the Board of Directors at the Board meeting under section 262 of the Companies Act, 1956, but any person so appointed shall retain his office so long as the vacating Director would have retained the same.

- **One Past Chairman**

- c. The Board shall elect a Chairman and determine the period for which he is to hold office, who shall act on behalf and in consultation with the Board.
- d. The tenure of the members of the Board, except of the nominee members, shall be for one year. The tenure of the Board members (Elected Directors) shall be for two years.

18. The following persons shall be the first Directors of the Company

S.No	Name
1	Mr. Subramanian Lakshminarayanan,
2	Mr. Pankaj Agrawala,
3	Mr. Jatinder Kumar,
4	Mr. Satya Narayan Zindal,

5	Prof. Ashok Jhunjunwala,
6	Mr. Rajasekhar Ramaraj
7	Mr. Vaidyanathan Srinivasan
8	Mr. Jasjit Sawhney
9	Mr. Amitabh Singhal
10	Mr. Rishi Chawla

Date: 19-6-2003

Place: New Delhi

ADDITIONAL DIRECTORS

19. A simple majority of the Directors present at the Board meeting shall have power at any time and from time to time, to appoint any person and/or member other than a person who has been removed from Directorship of the Company as Additional Director but the total number shall not exceed the maximum number fixed for the board. Additional Director may not be a Member of NIXI. Any director so appointed shall hold office only up to the date of the next Annual General Meeting of the Company.

INVESTMENTS

20. With the approval of the simple majority of Directors present at the Board meeting, may from time to time invest the surplus funds or corpus funds which are not immediately required, in the shares or securities or Bonds or similar securities of other companies which have the highest safety and rating of AAA/AA+ or equivalent rating on such terms and conditions and subject to such limits as decided through the CEO or Executive Director or other working Director or Secretary General jointly or severally as authorized from time to time.

LENDING/ADVANCES/GUARANTEES

21. With the approval of the simple majority of Directors present at the Board meeting, may from time to time lend and advance money not immediately required by the Company or give credit or guarantee to such persons, firms or companies or banks or FIs on such terms and conditions and subject to such limits as may be decided through the Executive Director or such other working Director or Secretary or other Directors jointly or severally as authorised from time to time.

PROCEEDINGS OF MEETINGS OF THE BOARD

22. (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit provided that a meeting of the Board shall be held at least once every six calendar months and at least two such meetings shall be held every year. The quorum for Board's meeting shall be either eight Directors or 1/4th of its total strength; whichever is less (any fraction contained in that 1/4th being rounded off as one) provided the quorum shall not be less than two members in any case. A copy of the minutes of the Board Meeting shall be sent to all the Directors of the Company.
- (b) A Director may, and CEO or Secretary General on the requisition of a Director shall, at any time, summon a meeting of the Board.
23. (a) Save as otherwise expressly provided by the Act, questions arising at any meeting of the Board shall be decided by a majority of Directors present.
- (b) In case of an equality of votes, the Chairman shall have a second or casting vote in the best interest of the Company.

24. The continuing Directors may act notwithstanding any vacancy in the Board if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or of summoning a General Meeting of the Company, but for no other purpose.
25. If the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of the members to be the Chairman of the meeting.
26. (a) The Board may, subject to the provisions of the Act, delegate any of its power to a committee consisting of such member or members of its body as it thinks fit.
(b) Any committee so formed shall in the exercise of powers so delegated, conform to any regulation that may be imposed on it by the Board.
27. (a) The committee may elect a Chairman of its meetings.

(b) 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 meeting, the members present may choose one of their members to be Chairman of the meeting.
28. (a) A committee may meet and adjourn as it thinks proper.

(b) Questions arising at any meeting of a committee shall be determined by a simple majority of the committee members present.
29. All acts done at any meeting of the Board or of a committee thereof, or by any person acting as a Director, shall notwithstanding that it may be afterwards find that there is some defect in the appointment of any one

or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

30. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or committee thereof for the time being entitled to receive notice of a meeting of the Board or committee shall be as valid and effectual as if it had been passed at a meeting of the Board or committee duly convened and held.

CHIEF EXECUTIVE OFFICER (CEO) OR SECRETARY GENERAL

31. (a) A CEO or Secretary General or any other staff with suitable designation may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any personnel appointed may be removed by the Board at its sole discretion.
- (b) A Director may be appointed as CEO or Secretary General or at such other designation as may be decided by the Board.
- (c) The CEO/ Secretary General/ such other position(s) approved by the Board, will be responsible for getting the day-to-day affairs of the company executed and comply with the legal /statutory requirements.
32. A provision of the Act or these regulations requiring or authorising a thing to be done by a Director and the Manager or the Secretary shall not be satisfied by its being done by the same person acting both as Director and as the Manager or Secretary.

ALTERATION OF MEMORANDUM/ARTICLES OF ASSOCIATION

33. Not less than 3/4th of the members present at the general meeting shall give their consent for alteration of the Memorandum of Association subject to the approval of the Central Government. Similarly, not less than 3/4th of the members present at the general meeting shall alter the Articles of Association of the Company subject to applicable provisions of the Companies Act subject to approval of the Central Government.

POWERS TO BORROW

34. A simple majority of the Directors present at the Board meeting may after getting approval of the members present at the general meeting from time to time at its discretion, subject to the provisions of the Act, raise or borrow money from anywhere and secure payment of any sum or sums of money for the purpose of the Company.

BYE-LAWS

35. (a) 3/4th majority of the members present at the general meeting shall have the power from time to time to make, alter and repeal such bye-laws as they may deem necessary or convenient for the proper conduct and management of the Company.
- (b) Such bye-laws amongst others may provide procedure to be followed in implementing and administering the objects for which the Company has been incorporated including the procedure for repayment of loans, charges if any to be levied for use of facilities or for payments for participation in activities, rates of reimbursements or payments for various benefits and may revise the rates, charges, fees, benefits etc. And the procedures and guidelines from time to time.

- (c) The Election of the Directors among the Ordinary Members as defined under article 2(c) should be in accordance with the rules specified in the Election Guidelines.
- (d) Provided that such byelaws shall not be inconsistent with anything contained in the Memorandum or Articles of Association

ACCOUNTS AND AUDIT

- 36. The Company shall keep proper books of accounts and at the expiration of each financial year prepare a Receipts and Payment and Income and Expenditure Account and Balance Sheet and shall cause them to be audited by an Auditor appointed by the Company at its Annual General Meeting. The auditor should be a Chartered Accountant duly qualified to audit the accounts of the Company.
- 37. The Auditor and all Directors shall have access to all the books of accounts of the Company and shall examine the Receipts and Payments and Income and Expenditure Account and the Balance Sheet and verify them with the accounts and vouchers relating thereto and shall sign them as found by him to be correct, duly vouched and in accordance with law or specifically report to the Company in what respects he finds them to be incorrect, untouched or not in accordance with law.
- 38. The Company shall not later than six months of the expiration of each financial year place before a General Meeting a Receipt and Payments and Income and Expenditure account and the Balance Sheet together with the report of the Auditor duly signed by him. The said accounts shall be circulated in advance to every member of the Company along with a notice convening the Annual General Meeting.

LEGAL PROCEEDINGS

39. The Company shall not undertake or assist proceedings in any Court of law without the approval of the Board of Directors.

ARBITRATION

40. All disputes respecting the interpretation of these articles or among the members interest or members vis-à-vis the Directors or any other matter under dispute, which cannot be resolved, by the Members or Board of Directors shall be referred for arbitration.

THE SEAL

41. The Board shall provide for the safe custody of the seal.
42. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least one Director and the Secretary or such other persons, whom the Board may appoint for the purpose and that Director and the Secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Sl. No	Name, Address, Description and Occupation of the Subscribers.	Signature of the Subscribers.	Signature, Name, Description and Occupation of the Witness.
1	Prof. Ashok Jhunjunwala, S/o-Mr. Banwari Lal Jhunjunwala C-2-2-5, 3 rd Loop Road, IIT Madras, Chennai-600036 Service - Professor at IIT . Madras	Sd/-	<p>I witness the signatures of all the subscribers who has signed in my presence</p> <p>Sd/- (Dinesh Kumar Gupta) B.Com (H), FCA S/o Shri Ramesh Chandra Gupta 3507-6, Pyare Lal road, Karol Bagh, New Delhi-110005 M-No. 86824</p>
2	Mr. R. Ramaraj S/o Mr. K. Rajasekhar No-7, Canal Bank Road K.B. Nagar, Adyar, Chennai-600020 Service	Sd/-	
3	Mr. Amitabh Singhal S/o Mr. Suresh Chand Singhal D-108, Upkar Apartments Mayur Vihar, Phase- 1, Extension Mayur Vihar, Delhi-110091 Service	Sd/	
4	Mr. Rajesh Chharia S/o- Mr. Ram Autar Chharia KH-135, Kavi Nagar Ghaziabad-201002 (UP) Business	Sd/	
5	Mr. S. N. Zindal, S/o- Mr. Champa Lal B-322, Asiad Village Complex New Delhi-110049 Service	Sd/	
6	Mr. Deepak Maheshwari S/o- Mr. G. C. Maheshwari C-86, Upkar Apartments, Mayur Vihar, Phase- 1 Extension Mayur Vihar, Delhi-110091 Service	Sd/	
7	Mr. Rishi Chawla S/o- Mr. Kulbhushan Chawla 63, B.D. Estate, Mall Road, Delhi-110054 Country Coordinator . GIPI	Sd/-	

Date: 19-6-2003

Place : New Delhi