

Latest

ARTICLES OF ASSOCIATION

OF

The U. P. Electronics Corporation Limited

THE UP ELECTRONICS CORPORATON LIMITED

ARTICLES OF ASSOCIATION

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THE CONSTITUTION OF THE UNITED STATES OF AMERICA

Article I
Section 1
All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Section 2
The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors in each State shall have the Qualifications requisite for Electors in that State.

Section 3
The Senate of the United States shall be composed of two Senators from each State, chosen by the Legislature thereof, for six Years; and each Senator shall have the Qualifications requisite for Senators in that State.

Section 4
The Times, Places and Manner of holding the Elections of Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law alter or change in whole or in part the same.

Section 5
The Congress shall determine the Rules of the Proceedings of the Senate and House of Representatives, and the Rules and Orders of the Senate and House of Representatives shall be the same, unless otherwise provided by Law.

**ARTICLES OF ASSOCIATION
OF
THE UP ELECTRONICS CORPORATION LIMITED**

(A Government Company under Section 617 of the Companies Act, 1956)

Interpretation

Interpretation

I Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Companies Act, 1956 or any statutory modification thereof for the time being in force at the date at which the Articles become binding on the Company.

The marginal notes hereto shall not affect the construction hereof and in these presents unless there be something in the subject or context inconsistent therewith:

"The Act" means "The Companies Act, 1956" and includes, where the context so requires any re-enactment or statutory modification thereof for the time being in force.

"The Company" means The UP Electronics Corporation Limited.

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

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

"Dividend" includes bonus,

"The Chairman" means the Chairman of the Board of Directors for the time being.

"Month" means calendar month.

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

"Person" includes Corporation or Company or association of persons or body of individuals, whether incorporated or not.

"Proxy" means an instrument appointing a 'Proxy' in the form set out in Article 67 of the Articles of Association and executed in the manner set out in Section 176 (5) of the Act.

"Register" means the Register of Members to be kept pursuant to section 150 of the Act.

"Registrar" means the Registrar of Companies, Uttar Pradesh, Kanpur.

"Seal" means the Common Seal of the Company,

"Financial Year" means, in relation to any body corporate, the period in respect of which any profit and loss account of the body corporate laid before it in annual general meeting is made up whether that period is a year or not.

"In writing" and "Written" include printing, photographs, lithography and any other mode of representing or reproducing words in a visible form.

Words importing the singular number shall include the plural number and vice versa and words importing the masculine gender shall include females.

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

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

Table 'A' not to apply

Company to be governed by these regulations.

2. The regulations contained in Table 'A' in the First Schedule to the Act shall not apply to the Company save as reproduced herein.

3. The regulations for the management of the Company and for the observances of the members thereof and their representative shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulation by special resolution as prescribed or permitted by the Act., be such as are contained in these Articles.

II. Share Capital

Capital

4. The Authorised Share Capital of the Company is Rs. 90,00,00,000 (Ninety crores) divided into 90,00,000 equity shares of Rs.100/- each with power to increase or reduce the capital.

*Company's share
not to be purchased*

3. No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of the Company's shares.

Allotment of Share

6. Subject to the provisions of the Act and these Articles the shares shall be under the control of the Board who may allot or otherwise dispose off the same to such persons on such terms and conditions and at such time as the Board thinks fit either at par or at a premium and for such consideration as the Board thinks fit.

Provided that an option or right to call off shares shall not be given to any person except with the sanction of the Company in general meeting and that where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then, subject to the provisions of Section 81 (IA) of the Act, the Board shall issue such shares in the manner set out in Section (8) (1) of the Act.

Provided that the offer of such further share to the holder (s) of equity shares of the Company shall not include or be deemed to include the right to renounce the shares offered to him or them in favour of any other person (s)

*Commission for
placing shares.*

7. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in debentures or debenture stock of the company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in debenture, debenture stock of the Company but so that if the commission in respect of shares shall be paid or payable out of capital the statutory conditions and requirements shall be observed and complied with the amount or rate of commission in the case of shares shall not exceed 5% of the price at which the shares are issued and in case of debentures 2-1/2% of the price at which the debentures are issued. The commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

Share Certificates,

8. 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.

Provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than

one certificate and delivery of a certificate for a share 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.

9. 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 Board thinks fit.

III. Calls on Shares

Calls on shares

10. The Board may, from time to time, make calls, upon the members in respect of any moneys unpaid on their shares and specify the times or times of payment, 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 Board may, from time to time at their discretion extend the time fixed for the payment of any call.

When interest on call payable

11. 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 Board shall fix, from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.

Payment in anticipation of calls may carry interest

12. The Board may, if they think fit, receive from any members willing to advance the same, all or any part of the money due upon the shares held by him beyond the sum actually called for and upon the moneys 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 percent per annum as the members paying such sums in advance and the Board agree upon, and the Board may, at any time, repay the amount so advanced upon giving to such members three month's notice in writing.

Joint holder's liability to pay

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

IV. Lien

***Company's lien
on shares***

14. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that shares and the Company shall also have a lien on all shares (other than fully paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the Company, but the Board, may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

***Enforcement of
lien by sale***

15. The Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, but no sale shall be made unless any sum in respect at 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 amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the shares or the person entitled by reason of his death or insolvency to the share.

***Application of
proceeds of sale***

16. The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and residue if any, 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.

V. Forfeiture of Shares

Forfeiture of Shares

17.(1) If a member fails to pay any call, or instalment 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 instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon.

(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 off 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.

Effect of forfeiture

18. (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 money in respect of the shares.

Declaration of forfeiture

19. (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 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 off.

(3) The transferee shall thereupon be registered as a 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

20. 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 share becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if by virtue of a call duly made and notified.

Transfer of shares held by nominees of Governor

21. Name (s) of person (s) holding shares in the Corporation as nominees of the Governor shall stand substituted in terms of orders of Government of UP issued in that respect from time to time and the Company Secretary or some other person authorised by the Board for the purpose shall make necessary endorsements on the share certificates accordingly with due dispatch.

Articles 22 to 28 Deleted.

VII. Alteration of Capital

Power to increase capital

29. The Board may with the Sanction of the Company in the general meeting increase the share capital by such sum to be divided into shares of each amount as the resolution shall prescribe.

On what condition new shares may be issued

30. New Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct.

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 provisions herein contained with reference to the payment of calls and instalments, 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 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 Board may dispose off the same in such manner as it thinks most beneficial to the Company subject to the provision of Section 81 of the Act.

Reduction of capital etc

33. Subject to the provisions of Section 100 to 104 of the Act, the Company may from time to time, by special resolution, reduce its capital by paying off capital or cancelling 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 deem expedient and capital may be paid off upon the footing that it may be called up again or otherwise ; and the Board may subject to the provisions of the Act, accept surrenders of shares

Sub-division and consolidation of shares

34. The Company in general meeting may from time to time sub-divide 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 powers 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, the rights and privileges attached to each class may be varied or modified, as provided in section 106 and 107 of the Act subject to:-

- (a) the consent of the holders of any specified proportion not being less than three-fourth of the issued shares of that class ; or
- (b) the sanction of a resolution passed at a separate meeting of the holders of those shares and supported by the votes of the holders of any specified proportion, not being less than three-fourth of these shares.

VIII. Borrowing Powers

Powers to borrow

36. Subject to the provisions of Section-292 and 293 of the Act, the Board may, from time to time, borrow or secure the payment of any sum or sums of money for the purpose 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 respect as it thinks, fit and in particular 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 or the property of the Company (both present and future) including its uncalled capital for the time being.

Securities may be assignable free from equities

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

**Issue at discount
etc or with special
privileges**

39. Subject to provisions of Section 76 of the Act, any debentures, debentures-stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise.

**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 may
be given**

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.

IX. General Meetings

General meetings

42. The first annual general meeting of the company shall be held within 18 months of its incorporation. The next annual general meeting of the Company shall be held within 6 months after the expiry of the financial year in which the first annual general meeting was held and thereafter an annual general meeting shall be held by the Company within 6 months after the expiry of each financial year. Except in a 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. All other general meetings of the company shall be called " Extra-ordinary general meetings."

**When Extraordinary
meeting to be called**

43. The Board may whenever it thinks fit and it shall, on the requisition of the holders of not less than one-tenth of the paid-up capital as at that date carry the right of voting of the Company upon which all calls or other sums than due have been paid, forthwith proceed to convene an extra-ordinary meeting of the Company, and in the case of such requisition, the following provision shall have effect :-

- (1) The requisition must state the object 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 Board does not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, on a day not later than 45 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 requisitionists shall be convened in the same manner as nearly as possible as that in which meeting may 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 extra-ordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

Notice of meeting

44. Subject to the provisions relating to special resolutions herein-after contained, at least 21 days notice in writing specifying the place, day and hour of meeting with a statement of the business to be transacted at the meeting shall be served on every member in the manner hereinafter provided, but with the consent in writing of all the members entitled to receive notice of same any particular meeting may be convened by such shorter notice and in such manner as those members may think fit.

Provided, however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by Section 189 (2) of the Act not less than twenty-one day's notice of such meeting specifying the intention to propose the resolution as special resolution shall be served Provided further, that if all the members entitled to attend and vote at such meeting agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than 21 day's notice has been given.

***Omission to
give notice***

45. The accident 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.

X. Proceedings of General Meetings

Business of general meeting

46. The business of an Annual General 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, the appointment of Directors in the place of those retiring and the appointment of and the fixing of the remuneration of the Auditors. All other business transacted in such meeting and all business transacted at an extraordinary meeting shall be deemed special.

Quorum

47. (1) Five members present in person shall be a quorum for a general meeting.

(2) The Governor of UP, if he is a member, shall be deemed to be personally present, if represented in accordance with Section 187A of the Act.

(3) A body corporate, being a member, shall be deemed to be personally present, if represented in accordance with Section 187 of the Act.

Body corporate etc how represented

48. (1) Where a Company or a body corporate (hereinafter called a Member Company) is a member of the Company and a person has been appointed by resolution in accordance with the provision of Sec. 187 of the Act to represent such member company at a meeting or meetings of the Company, that person shall not himself be deemed to be a proxy, and the production of a copy of such resolution duly certified as being a true copy of a resolution shall be accepted by the Company as sufficient evidence of the validity of his appointment.

(2) Such a person shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the Member Company which he represents as that Member Company could exercise.

Chairman of General Meeting

49. The Chairman of the Board shall be entitled to take 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 elect another Directors as Chairman, and if no Directors shall be present, or if the Directors present decline to take the chair, then the members present shall choose one of their number to be Chairman of the meeting.

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

50. If within half an hour 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 case it 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, and if at such adjourned meeting a quorum is not present those members who are present shall be 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 second casting vote in addition to the vote or votes, 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 the vote of the meeting 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, demanded by at least five members having the right to vote on the resolution and present in person, or by proxy, or by the Chairman of the meeting, or by any member or members present in person or by proxy and holding not less than one tenth of the total voting power, in respect of that resolution or by any member or members present in person or by proxy and holding shares in the Company conferring right to vote on the resolution, being shares on which an aggregate sum has been paid up which is not less than one tenth of the total sum paid up on all the shares conferring that right, and unless a poll is so 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 book of proceedings 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

54. The Chairman of a general 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
be taken without
adjournment***

55. 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 not with
standing demand
of poll***

56. 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***

57. The Chairman of any meeting shall be the 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.

XI. Votes of Members

Votes of members

58. 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***

59. No member present only by proxy 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 transmission clause to transfer 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 Board of his right to transfer such shares, unless the Board shall have previously admitted his right to transfer 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 thereof and if more than one of such joint holders be present at any meeting personally or by proxy, then one of the said persons present whose name stands first on the register in respect of such share shall alone

***Votes in respect
of shares of
members of
unsound mind***

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.

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.

***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 under the hand of the appointer or of his attorney or if such appointer is a body corporate be under its Common Seal or be signed by an officer or an attorney duly authorised by it.

***Instrument
appointing
proxy to be
deposited at
office***

65. 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 at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

***When vote by
proxy valid though
authority revoked***

66. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy provided no intimation in writing of the death or revocation shall have been received at the office of the Company before the meeting.

Form of proxy

67. An instrument appointing a proxy may be in the following form or in any other form which the Board shall approve :

THE UP ELECTRONICS CORPORATION LTD.

" I,of ...in the district ofbeing a member of theCompany Limited, hereby appoint....of ...as my proxy to vote for me and on my behalf at the (annual or extra-ordinary as the case may be) general meeting of the Company to be held on the....day ofand at any adjournment thereof."

Signed this....day of.....

***No member
entitled to vote
while call due to
Company***

68. No. Member shall be entitled to be present or to vote on any question either personally or by proxy, or as proxy for another member, 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***

69. No objection shall be made 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 whatsoever.

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

70. Any resolution passed by the Board, 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-fifth 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 resolution passed in respect of any matter which by the statute or by these Articles ought to be dealt with by a special resolution.

XII. Board of Directors

Number of Directors

71. The number of Directors shall not be less than three and more than thirteen. The Directors are not required to hold any qualification shares.

Appointment of Directors

72. The Governor of Uttar Pradesh shall be entitled to appoint all the directors of the Corporation and shall be at liberty to remove from office all or any of the persons so appointed and or removal, resignation, retirement or death of any such person, whether original or substituted or upon his office being vacated for any cause whatsoever, to appoint any person or persons in his or their places, such Directors shall not be liable to retire by rotation.

Directors at the time of adoption of these articles

73. Till the Directors are appointed in accordance with the above article, the following persons shall be Directors of the Company

- :-
1. Sri Satish Chandra, I.C.S.
 2. Sri P.K. Kaul, I.A.S.
 3. Sri Prem Kumar, I.A.S.

Additional Directors

74. (1) The Board shall have power at any time and from time to time to appoint a person as an additional Director, provided the number of Directors and the additional Directors together shall not exceed the maximum strength fixed for the Board by the Articles.

(2) Such a person shall hold office only upto the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

***Appointment of
alternate Directors***

75. (1) The Board of Directors of the Company may appoint an alternate Director to act for a Director (here in after called "the original Director") during his absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held.

(2) An alternate Director appointed under this Article shall vacate office if and when the Original Director returns to such State.

(3). If the term of office of the Original Director is determined before he so returns to that State, any provision in the Act or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate Director.

(4) An alternate Director shall not hold office as such for a longer period than that permissible to the Original Director in whose place he has been appointed.

***Filling of
casual vacancies***

76. (1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.

(2) Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

***Appointment of
Directors to be
voted on individually***

77. Save as is permitted by Section 263 of the Act, every resolution of the General Meeting for the appointment of a Director shall relate to the named individual only.

Directors fee

78. (1) Each Director (Excluding Managing or whole-time Directors) shall be paid out of the funds of the Company by way of remuneration for his services per meeting of the Board or any Committee of the Board attended by him at such rate as the Board may prescribe.

(2) The Board may allow and pay to any Director, who for the time being is resident out of place at which any meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Board may consider fair compensation for travelling and out of pocket expenses

and may make Rules generally for his purpose actually incurred by him.

***When office of
Director becomes
vacant***

79. The office of a Director shall become vacant if -

- (a) he is found to be of unsound mind by a court of competent jurisdiction;
- (b) he applied to be adjudicated and insolvent ;
- (c) he is adjudicated an insolvent ;
- (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months ;
- (e) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
- (f) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is partner or any private Company of which he is a Director, accepts a loan, or any guarantee of security for a loan from the Company in contravention of Section 295 ;
- (g) he acts in contravention of Section 299 ;
- (h) he becomes disqualified by an order of court under Section 203 ;
- (i) he is removed in pursuance of Section 284 ;
- (j) he retires or is removed as provided in Article 72 ;
- (k) 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. Unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure.

Notwithstanding anything in clauses (c), (d) and (g), disqualifications referred to in those clauses shall not take effect.

- (a) for thirty days from the date of the 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 on which such appeal or petition is disposed of ; or
- (c) where within the seven days aforesaid, and further appeal or petition is preferred in respect of 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.

XIII. Proceedings of the Board

Meeting of Directors and quorum

80. 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 three calendar month, and at least four such meetings shall be held in every year. 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.

Director may summon meeting. how questions to be decided

81. The Chairman, Managing Director or Secretary may at any time and shall, upon the request of Director, at any time convene a meeting of the Board, Questions arising at any meeting shall be decided by a majority of votes. The Chairman shall have a second or casting vote.

Powers of quorum

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

Chairman of Directors meetings

83. If at any meeting the Chairman is not present within 15 minutes after the time for holding the same, the Directors present may choose one of their member to be Chairman of the meeting.

Delegation of powers of Committee

84. Subject to the provisions of Section 292 and 297, the Directors may 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 formed shall, in the exercise of powers so delegated, conform 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 or at such intervals as the Board may decide.

***Chairman of
meetings of
Committee***

85. 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 number to be Chairman of the meeting.

***When acts of
Directors of
Committee
valid not with
standing defective
appointment, etc.***

86. 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 validate the 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***

87. 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 resolutions 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, together with the necessary paper, if any, 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 them, as are entitled to vote on the resolution.

***Minutes of the
proceedings of
meeting of
the Board***

88. The Board shall cause minutes to be made in books provided for the purpose in accordance with the provisions of Section 193 of the Act ;

- (a) of all appointments of officers made by the Directors ;
- (b) of all 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 Directors present at any meeting of Directors, or Committee of Directors shall sign his name in a book to be kept for the purpose.

Seal

89, The seal shall not be affixed to any instrument (other than a Share Certificate) except by the authority of a resolution of the Board of Directors and in the presence of one Director at least and the Secretary if any, provided, however the Board of Directors may authorise by a resolution the Managing Director or any other Director to affix the seal on any instrument (other than a Share Certificate) wherever it is legally required. In the case of share certificate the seal shall be affixed in the presence of (i) two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and (ii) the Secretary or some other person appointed by the Board for the purpose.

XIV. Powers of Board of Directors

**General powers
of the Company
vested in Board**

90. (1) Subject to the provisions of the Act, the Board of Directors of the Company 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 by 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 regulation not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting.

Provided also further that the Board shall not transfer whether by way of sale, gift or mortgage or otherwise dispose of any immovable property of the Corporation without the prior approval in writing of the Governor of Uttar Pradesh.

(2) 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.

***Specific powers
of the Board***

91. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Board of Directors shall have the following powers:

***To acquire any
property, rights, etc.***

(1) Subject to Sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit ; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

To pay Commission

(2) To pay and charge to the capital account of the Company any commission or interest lawfully payable under the provisions of Sections 76 and 208 of the Act.

***To pay for for
property***

(3) At their discretion and subject to the provisions of the Act, 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, stocks, bonds, debentures, debenture-stock, mortgages, 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 bonds, debentures, debenture-stock, mortgages, 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 bonds, debentures, debenture-stock, mortgage 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.

***To secure
contracts by
mortgage***

(4) To secure the fulfilment of any contract or engagement 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 manner as they may think fit.

***To accept
surrender of
shares***

(5) To accept from any Member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

***To appoint trustees
for the company***

(6) To appoint any person to accept and hold in trust 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 required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

***To Conduct legal
proceedings***

(7) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or its other employees or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claims of demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon.

***To act in matters
relating to in
solvents***

(8) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

***To issue receipts
and to give discharge***

(9) To make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands of Company.

***To invest moneys
of the Company***

(10) Subject to the provisions of Section 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company upon such security (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time vary or realise such investments. Save as provided in Section 49 or the Act, all investments shall be made and held in the Company's own name.

***To give security
by way of
indemnity***

(11) 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 whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and futures as) they think fit and any such mortgage may contain a power of sale and such other powers, provisions, covenants, and agreements as shall be agreed upon.

***To determine
signing powers***

(12) To determine from time to time who shall be entitled to sign on the Company's behalf, bills notes, receipts, acceptances, endorsements cheques, dividend warrants, releases, contracts and documents. and to give the necessary authority for such purpose.

***To provide for
Provident fund
Gratuity, etc to
employees***

(13) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and the wives, widows and families or the dependants or connections of such person by building or contributing to the building or houses, dwelling or chawls or by grants of money, pensions, gratuities, allowances, or other payments, or by creating and from time to time subscribing or contributing to Provident Fund and to other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions and recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board of Directors shall think fit, and so subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claims to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

***To provide for
reserves etc.***

(14) (i) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as Reserves or Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company, and for such other purposes (including the purposes referred to in the preceding clause) as the Board of directors may, in their absolute discretion, think conducive to the interest of the Company; and subject to Section 292 of the the Act to invest the several sums to set aside or so much thereof as requires to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board of Directors, in their absolute discretion, think conducive to the interest of the Company not with standing that the matters to which the Board of Directors apply or upon which may expend the same, or any part thereof may be matters to or upon which the capital moneys of the company might rightly be applied or expended; and

(ii) to divide the Reserves into such special funds as the Board of Directors may think fit, with full power to transfer the whole or any portion of Reserves or division of Reserves and with full power and to employ the assets constituting all or any of the above funds including the Depreciation

Fund, in the business of the Company or in the purchase of repayment of debentures or debenture-stock, and that without being bound to keep the same separate from the other assets, and without being bound to pay interest on the same, with power, however to the Board of Directors at their discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper, not exceeding nine percent per annum.

To distribute bonus

(15) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the company a commission on the profits of any particular business or transaction, and to charge such bonus or commission a part of the working expenses of the Company.

To appoint and remove officers and other employees

(16) (i) To appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special service as they may from time to time, think fit and to determine their powers and duties and fix their emoluments and to require security in such instances and to such amount as they think fit.

(ii) And from time to time to provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they think fit.

(iii) The provisions contained in three next following clauses shall be without prejudice to the general powers conferred by sub clause (ii) above.

To effect policies etc.

(17) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.

To appoint Local Boards or Committees of Managements

(18) From time to time and at any time to establish any Local Board or Committees for managing any of the affairs of the Company or management of electronic units and offices set up by it in any specified locality in India or elsewhere, appoint any person to be members of such Local Boards and Committees, fix their remuneration and delegate to them administrative and financial powers as considered necessary.

Delegation of powers (19) Subject to the section 292 of the Act, from time to time and at any time to delegate to any person so appointed, any of the powers, authorities and discretions for the time being vested in the Board other than their powers to make calls or to make loans or borrow moneys, and to authorise the Member 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 such appointment or delegation may be made on such terms, and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annual or vary any such delegation.

**To appointment
Attorneys**

(20) At any time and from time to time by power of Attorney under the seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities, and discretion (not exceeding those vested in or exercisable by the Board under these presents) and subject to the provisions of Section 292 of the Act and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board think fit) be made in favour of the Members or any of the Members of any Local Board, established as aforesaid or in favour of any Company, or the Shareholders, directors, nominees or managers of any company or firm otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such power for the protection or convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

**To enter into
contracts**

(21) Subject to Sanction 294, 297, 299, 300 and 301 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company 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.

(22) To sanction bridging loans to or stand guarantees for its joint sector companies set up by this Corporation on the specific

request of the former on such terms and conditions as may be laid down by the Board of Directors and subjects to the provisions of Section 370 of the Companies Act, 1956.

XV. Chairman

Appointment of the Chairman and Vice-Chairman

92.(1) The Principal Secretary/ Secretary to the Government of Uttar Pradesh in the Information Technology & Electronics Department shall be nominated by Government of Uttar Pradesh as Director and Chairman of the Corporation or the same person may be nominated as Chairman-Cum-Managing Director of the Corporation.

- (2) Subject to the provisions of the Act, the Board shall, from time to time, with the concurrence of the Governor of Uttar Pradesh appoint any of the Directors to be the Vice-Chairman of the Company.
- (3) Subject to the provisions of the Act, and the superintendence, control and direction of the Board, the Chairman or the Chairman-Cum-Managing Director shall exercise such powers and carry out such duties as may be conferred or imposed upon him by a resolution or resolutions of the Board passed in that behalf.
- (4) The Chairman of the Board shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but he shall be subject to the same provisions as to removal etc, as the other Directors appointed by the Governor of Uttar Pradesh and he shall, ipso facto, and immediately cease to be the Chairman if he ceases to hold the office of Director from any cause.
- (5) The Chairman and Chairman-cum-Managing Director shall be paid such remuneration as the Board may determine.

XVA. Management

Powers of Management

93. Subject to the provisions of the Act and subject also to the control and superintendence of the Board, the business and affairs of the Company shall be carried and managed by the Managing Director for the time being of the Company.

***Powers to
appoint Managing
Director***

94. (1) The Board shall from time to time, with the concurrence of the Governor of Uttar Pradesh and save where the same person is appointed Chairman-cum-Managing Director under Article 92 (1) : appoint any of the Directors to be the Managing Director of the Company.

(2) The Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining rotation of retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto, and immediately, cease to be the Managing Director if he ceases to hold the office of Director from any cause.

94-A . Additional Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining retirement of Directors by rotation or in fixing the number of Directors to retire, but subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto, and immediately, cease to be the Additional Managing Director if he ceases to hold the office of Director from any cause.

***Remuneration of
Managing Director***

95. (1) The Managing Director shall be paid such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another) as may from time to time be determined by the Board :

Provided that such remuneration if payable by a specified percentage of the profits shall not exceed five percent of the net profits of the Company calculated in the manner laid down in Sections 349, 350 and 351 of the Act, in accordance with the subject to the provisions of sections 198, 309, 310 and 311 of the Act.

(2) The Additional Managing Director (s) and Functional Director (s) shall be paid such remuneration as the Board may determine subject to the provisions of the Act.

*Power of
Managing Director*

96. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 292 thereof, the Board may from time to time entrust to and confer upon the Managing Director Managing Director (s). Additional Managing Director (s) or Functional Director (s) for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

XVI. Capitalisation

Capitalisation

97. (1) The Company in General Meeting may subject to the provisions of Section 78 (2) of the Act, 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 any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the Members as would be entitled to receive the same if distributed by way of dividend and in the same proportions and 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 such Members in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company which shall be distributed according or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such Members in full satisfaction of their interest in the said capitalised sum.

(2) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax, be distributed among the Members on the footing that they receive the same as capital.

(3) For the purpose of giving effect to any resolution under the preceding clauses of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any Members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act, and the Board 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.

XVII. Dividends

Dividends

98. 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 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

99. 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

100. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits, and may fix the time for payment, but no dividend shall exceed the amount recommended by the Board.

Dividend out of profit only and not to carry interest

101. 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***

102. The declaration of the Directors as to the amount of the net profits of the company shall be conclusive.

Interim dividend

103. The Board may from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

***Debts may
be deducted***

104. 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***

105. Any general meeting declaring a dividend may make a call on the Members on 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 annual general meeting which declares a dividend.

***Dividend payable
in cash***

106. No dividend shall be payable except in cash, provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits of reserves of the Company for the purpose of issuing fully paid up bonus shares on paying up any amount for the time being unpaid on the shares held by the members of the Company.

Effect of transfer

107. A transfer of share shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.

***Retention in
certain cases***

108. The Directors may retain the dividend payable upon shares in respect of which any person is under the transmission clause entitled to become a member, or which any person under that clause is entitled to transfer, until such period shall become a member in respect of such shares or shall duly transfer the same.

***Dividend of
joint holders***

109. 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

110. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member of 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

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

Unclaimed dividend

112. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and all dividends unclaimed and time barred under law after having been declared may be forfeited by the Directors for the benefit of the Company, and if the Directors think fit, they may be applied in augmentation of the Reserve Fund.

XVIII. Accounts

Accounts to be kept

113. The Company shall in all respect comply with Section 209 of the Act and cause to be kept and maintained 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

114. The books of account shall be kept at the registered office of the Company or at such other place in India as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

Inspection by Members

115. The Board 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

116. The Directors shall at some date not later than 18 months after the incorporation of the Company and subsequently once at least in every financial year, lay before the Company in Annual General Meeting a balance sheet and profit and loss account in 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 meeting by more than six months or in case wherein an extension of time has been granted for holding the meeting under the second proviso to sub-section (1) of Section 166, by more than six months and the extension so granted.

***Annual Report
of the Board***

117. The Board shall as per 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 on the balance sheet or to a Reserve Fund, General Reserve Account shown specifically on the balance sheet or to a Reserve Fund. General Reserve Account to be shown specifically in a subsequent balance sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Directors, if authorised in that behalf by the Directors.

***Contents of Profit
& Loss Account***

118. The profit and loss account shall be subject to the provisions as laid down in Section 211 of the Act and Schedule VI referred to therein so 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 expense 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 or profit and loss may be laid before the meeting, and in case when 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***

119. The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report and every other documents required by law to be annexed or attached, as the case may be, to the balance sheet, to the registered address of every member of the Company in the manner in which notices are to be given hereunder at least 21 days before the meeting at which it is to be laid before the Members of the Company and shall deposit a copy at the Registered office of the Company for inspection of the members of the Company during a period of at least twenty-one days before that meeting.

***Board to comply with
Section 209 to 211
and 215 to 222 of
the Act***

120. The Board shall in all respect comply with the provisions of Sections 209 to 211 and 215 to 222 of the Act or any statutory modification thereof for the time being in force.

XIX. Audit

Accounts to be audited annually

121. Once at least in every financial 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 duly appointed.

Appointment of Auditors

122. The Auditor/Auditors of the Company shall be appointed or re-appointed from time to time according to the provisions of Section 619. of the Act.

Auditor's right to attend the meetings

123. The Auditors of the Company shall be entitled to receive notice of and to 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.

XX. Notice

Service of notices on Members

124 (1) A notice or documents may be served by the Company on any Member either personally or by sending it by post to him to his registered address or, if the members, not being resident in India, to the address, if any, supplied by such Member to the Company for the giving of notice to him.

(2) Where a notice or document is sent by post :

- (i) Service thereof shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the document.

Provided that where a Member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses for doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the Member ; and

- (ii) Such service shall be deemed to have been effected:

- (a) in the case of notice of a meeting, at the expiration of forty-eight hours after the letter containing the same is posted ; and

(b) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(3) Where a notice or other document is sent by post outside India, service thereof shall be deemed to have been effected by properly addressing and sending a letter by air mail, postage prepaid, at the time at which the letter would be delivered in the ordinary course of post.

***Notice of Members
who have not
supplied address***

125. A notice or document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on day on which the advertisement appears on every Member resident in India, who has no registered address in India, and has not supplied to the Company an address for the giving of notices to him. Any such Member who has no registered address in India shall, if so required to do by the Company supply the Company, with an address in India for giving of notices to him.

***Notice to Members
registered jointly***

126. A notice or document may be served by the Company on the Members registered jointly in respect of a share by serving it on the Member named first in the Register of Members of the Company in respect of the share.

***Notice to persons
entitled by
transmission***

127. A notice or document may be served by the Company on 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 representatives of the deceased or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the documents in any manner in which it might have been served if the death or insolvency had not occurred.

***Giving of notice
by advertisement***

128. Any notice required to be given by the Company to the Members or any of them, and not expressly provided for these Articles or by the Act, shall be sufficiently given by advertisement.

Advertisement of

129. Any notice required to be or which may be given by advertisement, shall be advertised once in one or more newspapers circulating in the neighbourhood of the Registered Office of the Company.

***Date on which
notice deemed
to be served***

130. Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

*Transferee, etc.,
bound by
prior notice*

131. 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 being entered on the Register shall be duly given to the person from whom he derives his title to such share.

*Notice valid
through Member
deceased*

132. Subject to the provisions of Article 127, any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member be then deceased and whether or not the Company has notice of his demise, whether registered solely or jointly with other persons, for all purposes of these presents be deemed a sufficient service of such notice or document on his executors or administrators and all persons, if any, jointly interested with him in any such share.

*How notice to
be issued*

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

XXI. Winding up

*Service process
in winding-up*

134. Subject to the provisions of Section 497 and 509 of the Act, in the event of a winding up of the Company, every member of the Company who is not for the time being in place where the registered office of the Company is located, shall be bound, within eight weeks after the passing of an effective resolution to wind up of the company voluntarily or the making of an order for the winding up of the company; to serve notice in writing on the company stating the name of some householder residing in the neighbourhood of the Registered Office of the Company upon whom all summons, notices, process, orders and judgements in relation to or under the winding up of the Company may be served, and, in default of such nomination, the Liquidator of the Company shall be at liberty, on behalf of such Member, to appoint some such person, and service upon any such appointee whether appointed by the Member or the Liquidator shall be deemed to be good personal service on such member for all purposes, and where the liquidator makes any such appointment, he shall with all covenant speed give notice thereof to such member by advertisement in some daily newspapers circulating in the neighbourhood of the Registered Office of the Company or by a registered letter sent by post and addressed to such member at his address as registered in the Register of members and

such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the Liquidator of the Company to serve any notice or document in any other manner prescribed by these Articles.

***Distribution of
Assets on winding***

135. 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 at the commencement of the winding up, the excess shall be distributed among the Members in proportion to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of members, registered in respect of share issued upon special terms and conditions.

***Distribution of
Assets in Specie***

136. If the Company shall be wound-up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a special resolution, divide, among the contributories, in specie or in kind, the whole or any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidator, with the like sanction, shall think fit, but so that no contributor shall be compelled to accept any shares or other securities whereon there is any liability.

XXII. Secrecy Clause

Secrecy Clause

137. No member shall be entitled to require discovery of or any information respecting any detail 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 Board it will be inexpedient in the interest of the Members of the Company to communicate, to the public.

XXIII. Indemnity

Indemnity

138 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

139. No Director, or other officer of the Company shall be liable for the acts, receipts, neglect or defaults or any other Director or officer of the Company or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency to title to any property acquired by the order of the 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 or judgement or oversight on his part, or for any other loss, damage 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 or dishonesty.

XXIV. Powers of the Governor

140. (1) The Governor of Uttar Pradesh may, from time to time, issue directives to the company as to the exercise and performance of its functions in matters involving the security of the State or substantial public interest and such other directives as he may consider necessary in regard to the finances and conduct of business and affairs of the company and in the like manner may vary and annul any such directive (s). The company shall give immediate effect to the directive (s) so issued.

(2) The Governor of Uttar Pradesh may call for such returns, accounts and other information with respect to the properties and activities of the company as may be required by him from time to time.

Sl. No.	Signature, name, address, description and occupation of subscribers	Signature, name, address and description and occupation of the witness to the signature
1.	Sri Prem Kumar, Son of Sri Som Prakash, For and on behalf of The Pradeshya Industrial and Investment Corporation of Uttar-Pradesh Ltd., Lucknow 16, Gautam Palli, Lucknow Government Service Sd/- Prem Kumar	1. Sd/- V. Ramaratnam, Son of Late Sri S. Vaidhyanathan, B-143, Sector 'C' Mahanagar, Lucknow Service
2.	Sri Satish Chandra, Son of Sri Chandra Kishore, 4, Secretariat Bungalow, Mall Avenue, Lucknow Government Service Sd/- Satish Chandra	2. Sd/- B.N. Sinha, Son of Sri.S.N. Sinha "Sri Krishna Ashram", 268/124, Aishbagh, Lucknow Service
3.	Sri P.K. Kaul, Son of Sri, K.K. Kaul, No.1, Deputy Minister's Bungalow, Vikramaditya Marg, Lucknow Government Service Sd/- P.K.Kaul	
4.	Sri. S.V.S. Juneja, Son of Sri J.N. Juneja, 8, Gautam Palli, Lucknow, Government Service Sd/- S. V. S. Juneja	
5.	Sri. S. Ramesh, Son of Sri K. Srinivasan, 7/186, Swaroopnagar, Kanpur Government Service Sd/- Ramesh	

Sl. No.	Signature, name, address, description and occupation of subscribers	Signature, name, address and description and occupation of the witness to the signature
6.	Sri Ashok Chandra, Son of Sri Ramesh Chandra, 7/43, Tilak Nagar, Kanpur Government Service Sd/- Ashok Chandra	
7.	Sri G.N. Mehra Son of Late Sri B.D. Mehra, Filikothi, Kanpur Government Service Sd/- G.N. Mehra	