



उत्तराखण्ड पावर कारपोरेशन लि०

(उत्तराखण्ड सरकार का उपक्रम)

Uttarakhand Power Corporation Ltd.

(A. Govt. of Uttarakhand Undertaking)

CIN : U40109UR2001SGC025867

Email ID: rjmalik@upcl.org, Website: www.upcl.org

Notice of Extra-ordinary General Meeting

Notice is hereby given that an Extra-ordinary General Meeting of the shareholders of Uttarakhand Power Corporation Limited will be held on 20th March, 2023 (Monday) at 10:30 AM at the Registered Office of the Corporation at VCV Gabar Singh Urja Bhawan, Kanwali Road, Dehradun- 248001 Uttarakhand to transact the following **Special Business**:

Item No.01: Alteration in the Articles of Association of the Company.

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

“RESOLVED THAT in reference to the Corporate Governance Guidelines, 2021 of Government of India and pursuant to the approval and directions of the Government of Uttarakhand vide letter no. 1712/I(2)/2022-06(3)-05/2021 dated 26.12.2022 and pursuant to the provisions of Section 14 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, approval of the Members of the Company be and is hereby accorded for alteration of the Articles of Association of the Company by substitution/addition of clauses as under:

AOA Clause No.	Clause to be Substituted/Added in the Articles of Association
32 (a)	<i>(Substitution)</i> The number of directors of UPCL shall not be less than 8 (eight) and more than 12 (twelve) including nominee directors appointed under Article 35. The directors shall not be required to hold any qualification shares. None of the directors shall be liable to retire by rotation.
32 (b)	<i>(Addition)</i> Out of total 12 directors, 4 shall be the functional whole time directors including the managing director, 4 shall be the independent directors and 4 shall be the promoter & Nominee Directors including Chairperson / Chairman.
32 (c)	<i>(Addition)</i> The Board of Directors shall have mix of members with right expertise, experience and merit to deal with complex and diverse functions in UPCL. At least 50 percent of the Board shall comprise of Non-Executive Directors, who can impartially render oversight on the Management of UPCL. The composition of the Non-Executive Directors shall be a good mix of professionals from power/finance/administrative background. The Board shall have at least one women director as per provisions of the Companies Act, 2013.

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32 (d)	<p>(Addition)</p> <p>No Public Representatives (MLAs/MPs) shall be appointed on the Board. Not more than one retired civil servant having minimum two years' experience in Power Sector may be considered for the position of Independent Director. In case of appointment of retired civil servant as Independent Director, it may be ensured that at least Chief Secretary/ Additional Chief Secretary/ Principal Secretary level retired persons must be considered for such appointment. The selection of Independent Directors shall be made from DPE/ MCA databank of Independent Directors or from State developed databank of Independent Directors.</p>
33 (a)	<p>(Addition)</p> <p>The Management of UPCL shall be led by a full time CMD/MD/CEO with 3 numbers of following functional directors:</p> <ol style="list-style-type: none">1. Director(Finance)2. Director (Distribution & Projects)3. Director (Commercial & Energy Accounting) <p>The age, qualifications and eligibility criteria of the functional directors shall be as per the Corporate Governance Guidelines for State Power Distribution Utilities as notified by Ministry of Power, Government of India and as may be amended from time to time.</p>
33 (b)	<p>(Addition)</p> <p>The Human Resource Department of UPCL shall be headed by Executive Director (Human Resource), who shall not be a member of the board and will directly report to CMD/MD. The position of Executive Director (HR) shall be filled in by promotion from Senior and meritorious General Manager (Human Resource) / General Manager (Legal) on the recommendations of an appropriate promotion committee duly constituted by the Board of Directors for this purpose. In case no departmental candidate is eligible for promotion, the Board may decide to appoint the Executive Director (HR) from outside through open process and also the mode (contractual/regular), eligibility and tenure of such appointment.</p>
33 (c)	<p>(Addition)</p> <p>The Evaluation of Board, its Committees and all Directors shall be done as follows:</p> <ol style="list-style-type: none">1. The Board shall evaluate all directors (individually), its committees and the Board as a whole.2. The Independent Directors in their separate meeting shall evaluate the Functional Directors, CMD/MD and the board as a whole once in a year. <p>The Formal Model of Mechanism for evaluation of performance of Board, its committees and all Board members shall be defined by Nomination & Remuneration Committee.</p>
33 (d)	<p>(Addition)</p> <p>The removal of Directors shall be done only on the basis of recommendations of the Selection Committee as per DPE Guidelines, and an Ordinary Resolution/Special Resolution (for Independent Directors) in AGM as per the provisions of the Companies Act, 2013.</p>





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34 (a)	<p>(Substitution)</p> <p>The Government of Uttarakhand shall constitute a Selection Committee for selection of CMD/MD/Functional Directors/Independent Directors. The composition of the Selection Committee shall be as under:</p> <ol style="list-style-type: none">1. Chief Secretary of the State – Chairperson2. Administrative Secretary–General Administration/Personnel Deptt. of State– Member3. Administrative Secretary – Energy/Power Deptt. of State – Member4. Head of Premier Institution (IIT/IIM in the State/Outside State) - Member5. Representatives of the Ministry of Power, GoI – Member <p>The Selection Committee shall ensure that the Independent Directors are from diverse backgrounds.</p>
36 (L)	<p>(Addition)</p> <p>He is elected as Public Representative (MP/MLA).</p>
69	<p>(Addition)</p> <p>UPCL shall sign a Memorandum of Understanding (MoU) with Government of Uttarakhand covering Key Result Areas (KRAs) and develop a reporting and evaluation mechanism against these KRAs which shall be closely linked with the performance of the directors in line with the Corporate Governance Guidelines notified by Ministry of Power, Government of India as may be amended from time to time. Such signed MoU between Government of Uttarakhand and UPCL shall be reviewed and revised at certain intervals as may be directed by Government of Uttarakhand.</p>

‘RESOLVED FURTHER THAT all Whole Time Directors/Company Secretary of the Company, be and are severally hereby authorized to sign and file all the requisite e-forms including form MGT-14 along with all such other documents as may be required, with the Registrar of Companies, Dehradun, and to do all such acts, deeds and things as may be ancillary or incidental thereto for giving effect to this resolution.”

NOTE:

1. A member is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be member of the company.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the meeting is annexed thereto.

Dated: 21.02.2023

Place: Dehradun

Copy to:

- All the members,
- All the Directors,
- All the Auditors.

By order of the Board,


CHAIRPERSON


COMPANY SECRETARY

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF
THE COMPANIES ACT, 2013**

Item No. 01

The Ministry of Power, GoI issued the Corporate Governance Guidelines 2021 (CGG 2021) for State DISCOMs vide the letter of Secretary, MoP to Chief Secretaries of all States/UTs dated 11.03.2021 with the objective to institutionalize the best Corporate Governance practices in the State Power Distribution Companies (DISCOMs) as included in the Companies Act, 2013, DPE Guidelines, SEBI Regulations and best practices followed by private DISCOMs which will be an enabling mechanism for improving DISCOMs financial health, performance and accountability. Thereafter, the same were forwarded by Government of Uttarakhand to UPCL with the directions to implement the CGG 2021 and submit a due compliance report at the earliest.

The aforementioned Guidelines on Corporate Governance for DISCOMs were further reviewed & revised by MoP, GoI to make the guidelines more specific by including the following i.e. Management Structure, Composition of Board, Experience & Qualifications of Independent Directors, Nominee Director from major financing agencies, Composition of various committees like Audit, N&R and Risk Management, Roles & Responsibilities of Directors, Independent Directors, Audit Committee, N&R Committee and Risk Management Committee, Evaluation of Board, its Committees and Directors, Quarterly/Annual Financial Reporting, MoU to be signed between DISCOM and State Government, Employee Incentive/Reward Schemes. The Revised Guidelines were circulated by Hon'ble Minister of Power and New & Renewable Energy, GoI vide letter no. 05/01/2021-UR&SI-II-Part(1) dated 17.08.2021 to Hon'ble Chief Minister of Uttarakhand. Thereafter, the Revised Guidelines were forwarded to UPCL by Government of Uttarakhand vide its letter dated 23.08.2021.

The MoP, GoI in its letter categorically stipulated that the performance of the DISCOMs against these Corporate Governance Guidelines will be taken into account for financing under the new Distribution Sector Schemes. Moreover, while releasing funds by PFC/REC under various schemes/loans to the DISCOMs, this rating mechanism shall also be considered appropriately. Power Finance Corporation (PFC) Ltd. was designated as Nodal Agency for monitoring compliance of CGG, 2021 by DISCOMs.

Upon receipt of the Revised Corporate Governance Guidelines 2021, the same were reviewed, and then, placed before the Committee of Directors (COD) in the meeting held on 18.11.2021 and therein the Committee provided its decisions/directions on each compliance clause. After COD, the Govt. related issues were referred to the Government of Uttarakhand for directions and rest to the internal departments for necessary actions. Based on initial inputs, the Initial Compliance Report was submitted to the Nodal Agency i.e. Power Finance Corporation. Since then, UPCL has been regularly submitting the Compliance Report of the CGG 2021 to the Nodal Agency PFC at regular intervals intimating them the updated status of compliance of the CGG 2021. Regarding 04 issues related to the BOD, proposals were submitted to the Board by the Company Secretary and the Board accorded its approval in the 102nd Board Meeting dated 29.12.2021.

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After referring the matters pertaining to Government of Uttarakhand to Energy Department of the State, meetings were held with the Energy Department with regard to action plan for the implementation of the CGG 2021 specifically clauses related to Government of Uttarakhand. In the meeting dated 14.03.2022, it was directed that UPCL should submit a comprehensive proposal for implementation of the CGG 2021. Accordingly, a comprehensive proposal for alterations in the Articles of Association of the Company by addition/substitutions of clauses was submitted to the Energy Department of GoUK vide its letter no. 1705 dated 19.03.2022 and letter No. 2711 dated 29.04.2022.

In response to the UPCL proposal, the Energy Department of GoUK provided its approval vide letter no. 1712/I(2)/2022-06(3)-05/2021 dated 26.12.2022 to make the proposed alterations in the Articles of Association of the Company in order to comply with the provisions of the Corporate Governance Guidelines 2021, and also directed to take further necessary actions to complete the process as per law.

Ministry of Power, GoI has been regularly monitoring the performance of all DISCOMs against CGG, 2021 through Review, Planning & Monitoring (RPM) meetings from time to time via Performance Presentations being presented by the DISCOMs through Secretary (Energy) of the State and the last such RPM meeting was held on 24.01.2023. In every meeting it has been emphasized to ensure the compliance of the guidelines as soon as possible so as to become eligible for grants/funding.

Accordingly, in order to comply with the directions of MoP, Govt. of India under the provisions of the Corporate Governance Guidelines 2021 and pursuant to the directions of Government of Uttarakhand to process proposal of UPCL for alterations in Articles of Association, the matter was placed before the Board in its 109th Board Meeting held on 21.02.2023 wherein the Board approved the alterations as stipulated in the draft resolution given in the notice. The new position of ED (HR) under clause 33 (b) is being created in lieu of position of Director (HR) abolished by said Guidelines by MoP, GoI.

By virtue of Section- 14 of the Companies Act, 2013 and any other applicable provisions of the Act and applicable rules, a company can alter its Articles of Association by passing a Special Resolution in the general meeting of shareholders. Since next Annual General Meeting is to be held at the end of this calendar year and agenda is urgent, therefore this Extra-ordinary General Meeting is being convened.

All the documents referred herein above are available for inspection of the members at the Registered Office of the Corporation during working hours on any working day.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution.


MANAGING DIRECTOR

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